

Alabama	U.S. \$2.00	Canada	1.25	France	1.00	Germany	1.00	Italy	1.00	Japan	1.00	Spain	1.00	U.K.	1.00
Andorra	11.00	Belgium	1.00	Denmark	1.00	Finland	1.00	Greece	1.00	Ireland	1.00	Norway	1.00	Portugal	1.00
Austria	1.00	Sweden	1.00	Switzerland	1.00	Taiwan	1.00	U.S.A.	1.00	West Germany	1.00	Yugoslavia	1.00		

## Polish Leftists Expected to Stick to Path Of Reforms

Changes Too Far Along To Consider Reversal, Western Analysts Say

By John Pomfret  
 Washington Post Service

WARSAW — A party of former Communists moved a step closer Monday to forming a coalition government with another group of leftists following a stunning election defeat for pro-market reformers.

But as Poland prepared for the prospect of its first left-led government since Communists were tossed from power in 1989, Western bankers and other analysts stressed that the economic reality in this country, still in the throes of a rough transition to a free-market economy, lowered the prospect for any reversal of the reforms.

Important developments within the leadership of the former Communists also make it unlikely that their party, the Democratic Left Alliance, would reverse the process. In many cases, party members have become fantastically rich because of the changes.

And finally, any attack on the reforms would scuttle Poland's dreams of joining the North Atlantic Treaty Organization and the European Community, which is Poland's biggest market and the key to its economic growth. Support for such goals runs high among most parties in Poland on the left and in the center.

Still, some analysts stressed that the re-emergence of the left in Poland should serve as a warning to the West not to ignore changes in Eastern Europe.

"After the collapse of communism, the Western attitude was that things fell nicely into our laps and we could sit back and just watch Eastern Europe grow," said Jan Vanous, president of PlanEcon, a Washington-based investment consultant specializing in the former Soviet bloc.

But now, he said, former Communist parties were gaining prominence throughout the region. Slovakia has strong Communist roots. Lithuania voted Communists back into power last year, and Romania's government has links with the past, as does Bulgaria. Next year Hungary will hold a general election and the former Communists could fare well.

"Just last week we were talking about Poland joining NATO and how the Polish stock market was the best in the world," he said. "This vote illustrates that things are going to be a lot more difficult than they originally seemed."

In a news conference Monday evening, leaders of the Democratic Left Alliance sought to assure their critics and worried investors in the West that they would not abandon reforms.

Jozef Oleksy, one of the party's leaders and a former local Communist Party secretary, stressed the importance of foreign investment.

See POLAND, Page 6

## Angola Tragedy Deepens Amid Broken Peace

By Paul Taylor  
 Washington Post Service

LUANDA, Angola — It is known here as the war the world forgot, and Luis Upepe found out just how deprived it has become when he stepped on a land mine planted by rebel soldiers to prevent hungry peasants like him from getting to their crops.

His left leg has been amputated above the knee, and now he lies on the floor of a fly-infested, stretch-filled corridor of the nation's leading hospital. A dozen other war casualties share the grim space. There is nothing to ease their load — no anesthetic, no antibiotics, not even fresh bandages — unless they happen to have relatives who can buy medical supplies at the local black market.

Asked why the Josina Machel Hospital, the government's largest, should be so short of even basic supplies to help war victims, an orthopedist, Kim Sung Min, said simply, "Check with the Ministry of Health." He was referring to endemic corruption by officials here.

With one side in this bloody civil war blowing up civilians and the other profiteering on their medicine, Angolans have been plunged into deep misery in the year since their country held a founding democratic election that had been intended to cement a short-lived peace but instead reignited an 18-year war.

In September 1992, Angola's long-time Marxist leader, José Eduardo dos Santos, beat the rebel leader, Jonas Savimbi, in a presidential election judged by the United Nations to have been fair. Mr. Savimbi, who had been backed by the United States during the Cold

See ANGOLA, Page 7

## Savimbi's Truce Is Called a Ruse

By Paul Taylor  
 Washington Post Service

SAO TOME, São Tomé and Príncipe — Jonas Savimbi, the Angolan rebel leader, said in a broadcast announced here Monday that his UNITA movement had unilaterally begun a cease-fire to improve the atmosphere for new peace talks.

But Angolan state radio said Mr. Savimbi's offer of a truce was just a ruse to avert international condemnation and said that his troops were still on the attack.



A French priest picking his way between tractors blocking streets of the northern French city of Arras as angry farmers continued to protest the GATT accords and EC farm policy.

## Freed Chinese Says Olympic Ploy Would Be 'Dirty'

By Patrick Tyler  
 New York Times Service

BEIJING — Speaking out for the first time since his release from prison, the prominent dissident Wei Jingsheng said Monday that if Chinese authorities were trading on the freedom of a few political prisoners to win the Olympic Games in the year 2000, that would be a "dirty" political act.

Mr. Wei, 43, measured his words as he met with reporters for the first time since his release last week.

He said he would not give up the "struggle" for democracy in China, but would be forced to

restrain his activities for three years while he was on probation.

At the meeting in his parents' tiny apartment in central Beijing, Mr. Wei asked reporters to

A report to Beijing leaders warns that China could break up after Deng's death. Page 7. Politics steals the spotlight from athletics in the competition for the 2000 Games. Page 19.

quote him accurately, especially on the sensitive subject of China's Olympic quest.

He said he did not know whether his release was a government ploy to enhance its bid for

the 2000 Games, but that if it was such a ploy, it was a degradation of the Olympic movement.

"If the authorities traded a few political prisoners for the Olympics, that would be a very dirty thing, and not in line with the Olympic spirit," he said.

Acknowledging a heart ailment and a dozen lost teeth during his long incarceration, Mr. Wei, 43, said his mental faculties and his will remained unbroken. He said he was thrust out of prison without prior notice last week after serving 14½ years of a 15-year prison term.

The former Beijing Zoo electrician, who emigrated to China's 1978-79 Democracy Wall movement with his simple and eloquent essays

and wall posters, said he hoped to publish in China or abroad some of his prison writings, but he said he would restrain his political activities until the end of his probation.

"I will continue to carry forward political activities but not for the present time," Mr. Wei said. "According to Chinese law, probation means I cannot vote. I have no freedom of expression. I cannot form any kind of organization. Even doing business is not allowed."

As Mr. Wei emerged, human-rights organizations said Monday that they had learned that Chinese judicial authorities were preparing for

See CHINA, Page 7

## Rift Hits EC As Germany Backs France On Farm Pact

Britain Sees Disruption Of EC Affairs if Paris Remains Intransigent

By Tom Buerkle  
 International Herald Tribune

BRUSSELS — European Community differences on agriculture burst wide open on Monday, Germany backed French demands to effectively reopen an EC-U.S. farm trade pact while Britain warned that EC affairs would be disrupted unless Paris eased its hard-line stance on agricultural trade.

German and French negotiators agreed to press for new discussions with Washington on the so-called Blair House agreement, whose curbs on subsidized farm exports from the European Community have been vigorously opposed by France.

The negotiators specified that the talks should address the prime issues of concern to France, including Paris's demand that Europe be allowed to boost farm exports in the future in line with the growth of world markets and that massive EC grain and meat stocks be exempted from the Blair House cuts in exports.

The Franco-German position did not explicitly demand a renegotiation of Blair House, which Washington has publicly rejected. But it amounted to virtually as much by calling into question many basic elements of the agreement.

The joint call at a special meeting of EC foreign and agriculture ministers posed a major setback to the EC Commission, the Community's executive agency, which negotiates trade issues for its members.

Trade Commissioner Sir Leon Brittan had urged the ministers not to demand any new negotiating mandate, EC sources said, arguing that it would tie his hands and reduce the likelihood that Washington might show flexibility at a key round of talks next week. Sir Leon is scheduled to meet with the U.S. trade representative, Mickey Kantor, in Washington on Sept. 27.

The Franco-German initiative also was likely to face stiff resistance from Britain. Although ministers were still meeting late into the night, Foreign Minister Douglas Hurd earlier ruled out any renegotiation of Blair House. Mr. Hurd said reopening the pact could kill any chance of reaching a global trade agreement by a Dec. 15 deadline, damage trans-Atlantic cooperation and endanger the Community's own unity.

"I cannot conceive how the European Community can continue with the normal transaction of business if it is seen as having caused the

See GATT, Page 15

## Kiosk



HEADED FOR THE FRONT — Georgian troops waiting Monday at the airport in Tbilisi to be ferried to Sukhumi, capital of breakaway Abkhazia, which rebels were attacking. Russia's defense minister called for the Georgians to pull out. Page 2.

## Sharp Japanese Rate Cut Expected

Two Japanese news agencies reported early Tuesday that the central bank would reduce its discount rate to a record low 1.75 percent later in the day, seeking to boost the

country's lagging economy and curb the strength of the yen. A cut in the rate on loans to commercial banks had been rumored, but not of such magnitude. Page 11.

## C.L. Sulzberger, Journalist, Dies

C.L. Sulzberger, 80, a retired foreign correspondent and columnist for The New York Times and a recipient of the Pulitzer Prize, died in Paris on Monday after a long illness. The funeral will be private. A full obituary will appear Wednesday in the International Herald Tribune.

Dow Jones	Down 37.45	Trib Index	Down 0.46%
	3,573.80		107.13
The Dollar	1.61	1.614	
New York	1.532	1.5315	
Pound	104.65	104.475	
Yen	5.619	5.6265	

## U.S. Acts to Keep the Peace Ball Rolling

By Paul F. Horvitz  
 International Herald Tribune

WASHINGTON — The United States plans a series of high-profile steps to maintain the momentum toward a Middle East peace, starting with an international conference to help underwrite Palestinian economic development, Secretary of State Warren M. Christopher announced Monday.

Mr. Christopher also said he would meet later this month, at the United Nations, with his counterparts from Syria, Lebanon, Jordan and Israel "to try to keep these negotiations moving."

In a speech to the Council on Foreign Relations in New York, the secretary of state reiterated Washington's "unshakable" commitment to Israel's security and underscored a pledge to

see "that the forces of moderation in the region are stronger than the forces of extremism."

He called on Middle Eastern leaders to condemn violence and urge Arabs to end their economic boycott of Israel, calling it a "relic of the past" and saying that it was punishing Palestinians as well as Israelis.

Mr. Christopher took note of opposition to the signing last week of an accord between Israel and the Palestine Liberation Organization by issuing a sharp warning: "To those who would sow dissension, intolerance and violence, I say this: The United States, its friends, its allies will take the necessary steps to ensure that you fail."

The financing conference, co-sponsored by Russia, is expected to take place in early October in Washington and will include foreign and finance ministers representing Europe, Japan,

Saudi Arabia and the Gulf states, Canada, the Nordic countries and others.

The World Bank, which is expected to coordinate the aid, will also be represented, Mr. Christopher did not offer a fund-raising goal but noted that the World Bank had tentatively estimated that basic development needs in the Gaza Strip and West Bank would total \$3 billion over the next decade. The United States, he said, will offer a two-year package of \$250 million, primarily in loan guarantees for private development projects.

"The international community must move immediately," Mr. Christopher said, to see that the agreement between Israel and the PLO "produces tangible results in the security and daily lives of the Palestinians and the Israelis."

"If peace is to be achieved," he added, "this

See AID, Page 6

## 'No One but Israel Gained,' Assad Says

By Chris Hedges  
 New York Times Service

CAIRO — President Hafez Assad of Syria, in his first detailed comments on the agreement reached between the Palestine Liberation Organization and Israel, refused to back or condemn the accord, complained bitterly about the secret negotiations between the Palestinians and the Israelis and said that only the Jewish state had benefited from the agreement.

"I don't see any valid reason for these secret negotiations," Mr. Assad said, in an interview published Monday in Cairo. "I believe it was done to the detriment of the Palestinians and the Arabs. No one but Israel has gained from this."

But he refused to go so far as to renounce the agreement.

"We were very clear," he told Ibrahim Saadeh, the editor of the Egyptian newspaper Al Akhbar, in the interview conducted Thursday in Damascus. "We did not bless it and we did not support it. We did not oppose it and we did not accept it."

Mr. Assad called the news of the agreement, that will allow the Palestinians to exercise self-rule over the West Bank town of Jericho and the Gaza Strip once Israeli forces withdraw, "a painful surprise."

"Nevertheless," he said, "I hope the agreement will achieve more than what one would conclude after reading it, because the agreement keeps everything in Israel's hands."

He added, "Of course Yasser Arafat has to be satisfied with anything. He has put himself in a big prison."

The tepid response by the Syrians to the accord has left the peace talks between the Syrians and the Israelis in doubt, although President Hosni Mubarak of Egypt has expressed optimism that an agreement will be reached.

But while Mr. Assad has declined to condemn the agreement, he has allowed dissident Palestinian groups in Damascus, and the state-controlled Syrian press, to attack Mr. Arafat, the chairman of the PLO, for accepting a partial agreement with the Israelis and for conducting secret negotiations that did not include Israel's Arab neighbors.

Mr. Assad said in the interview that it was not in his power to silence Palestinian dissidents.

See SYRIA, Page 6

## Where Tourism Is Replacing Terrorism

By Edwin McDowell  
 New York Times Service

The Middle East, a region that was widely thought of in terms of terrorism, air raids and besieged people in gas masks, is quickly being transformed into a land of milk and money, boasting not only archeological digs and ancient civilizations, but also beckoning beaches, luxury hotels, desert safaris and an unsurpassed blend of tradition and modernity.

Even before the signing of the Israeli-Palestinian peace accord, tour operators, hoteliers, airlines, cruise lines and governments in the region were racing to roll out the welcome mat. Governments that had been mortal enemies are signing agreements to promote tourism in one another's backyards, and the transformation seems to be taking place less because of marketing and advertising hype than because of the realization that what until recently seemed forever forbidding is now possible and potentially risk-free.

The public's reassessment has come gradually, as a tide of terrorist acts that horrified the world has ebbed in recent months.

But while many people, Americans and foreigners, caution that a recurrence of terrorist acts could undo all that has been accomplished by diplomacy, it has not escaped them that the Middle East may now actually compare favorably in the minds of the safety-conscious with American destinations like Florida, where nine tourists have been killed within a year in headline-grabbing murders, many of them committed during bump-and-rob incidents.

In any case, tourists in the Middle East have only rarely been the specific targets of terrorist acts.

Executives who would like to see the region's desert-like service economies bloom caution against raising hopes too high too fast. But for now those warnings are being lost amid widespread euphoria, as various

Middle Eastern governments sense a fundamental shift in attitudes about the region and brace for a flood of new business.

"The reaction has been absolutely phenomenal," said Jim Adair, president of Regatta Tours in Chardon, Ohio, which specializes in Holy Land tours for Catholics. "We usually average 100 tourists in November, but this year it'll be in excess of 600. Our phones haven't stopped ringing."

[Major travel agencies and airlines in Europe, on the other hand, said there appeared to be no corresponding rush to book holidays in the area. A spokesman for Air France said that last week was particularly busy because of the Jewish New Year, but that otherwise bookings were normal for this time of year. A British Airways spokesman said business to the Middle East had been good all year, and that there did not appear to be any immediate

See TOURS, Page 16

سكوا من الأصل



# Kohl Partners Halt Bid to Name Rival To His Candidate

Compiled by Our Staff From Dispatches  
BONN — Chancellor Helmut Kohl's embattled presidential candidate received a boost Monday when the chancellor's junior coalition partners dropped efforts to draft a possible rival.

Steffen Heitmann, a largely unknown politician from Eastern Germany picked by Mr. Kohl to run for the presidency next year, has been under pressure over comments about Germany's Nazi past and the criticism continued Monday.

# Bonn Sets Talks on Rights of Its Turks

BONN — Prime Minister Tansu Ciller of Turkey and Chancellor Helmut Kohl agreed Monday to set up a committee to discuss neo-Nazi attacks and citizenship rights for Germany's large Turkish minority.

Several hundred Kurds chanting "Ciller — murderer" protested in Bonn during the talks, and pressure groups urged Mr. Kohl to insist Turkey improve its human rights record.

Two demonstrators were arrested and five injured in clashes with police, a police spokesman said. Mrs. Ciller also discussed with Mr. Kohl ways of boosting bilateral trade and to meet German bankers to promote her plan to privatize Turkey's huge state industrial sector.

A Bonn official said that a joint working group "will discuss all legal and constitutional questions of mutual interest, including questions of status, citizenship rights and internal security."

will repeat myself once again. I categorically do not want to be a candidate for the presidency." Mr. Genscher, 66, has heart problems and is thought to have been urged by his wife to keep out of the race.

The Free Democrats "will now look carefully and see where we stand," Mr. Kinkel said after telling party leaders that Mr. Genscher had again refused an offer to run for the ceremonial but prestigious presidency. "We are not under any time pressure."

Critics, including the opposition Social Democrats, said Mr. Heitmann was damaging the country's reputation by saying Germans should put the Holocaust behind them.

Mr. Kohl's conservative coalition partners, the Christian Social Union of Bavaria, seemed to fall in line behind Mr. Heitmann as candidate after he met party leaders in Munich. Finance Minister Theo Waigel, the Bavarian chairman, said his party found "a high level of agreement" on policy issues.

Germany (Reuters) — Germany, whose long-term ambition is a permanent seat on the United Nations Security Council, is seeking a temporary two-year membership, the Foreign Ministry said Monday.



Derek Beackon, the newly elected National Party council member, fashing out at photographers as he left a court Monday.

# National Party Aide Charged in London Clash

LONDON — Four men accused of being involved in clashes between rightist supporters and anti-racist demonstrators in London's poor East End district were charged with violent disorder on Monday.

Among those charged was Richard Edmonds, national organizer of the rightist British National Party. The violence Sunday followed the election of a candidate of the party, Derek Beackon, to the local council in the Millwall area of east London on Thursday. It was the first election victory by a racist party in Britain since 1976.

One of Mr. Beackon's first acts as a council member was to appear in court Monday in support of the four men. He avoided reporters who tried to question him.

# Envoy's Cancel Bosnia Signing Over Impasse on Land Division

ZAGREB, Croatia — Bosnia's three warring factions failed again to come to terms for a peace plan during a surprise meeting Monday on a British warship in the Adriatic Sea, Croatia's state news agency said Monday.

The session was held by the special envoys, Lord Owen of the European Community, and Thorvald Stoltenberg of the United Nations, who have said they hoped a plan could be ready for signing Tuesday.

In Belgrade, meanwhile, the National Bank of Yugoslavia issued a 10 billion dinar note to replace currency made almost worthless by a devastating daily inflation rate of 20 percent.

Lack of progress in the talks, held on the aircraft carrier Invincible in the Adriatic Sea, wrecked plans by mediators to sign a peace plan Tuesday in Bosnia's capital, Sarajevo.

The new white, black and red note will be issued on Tuesday, the Belgrade-based Tanjug press agency quoted central bank officials as saying. It is worth \$6 on Belgrade's foreign currency black market.

MOSCOW — Defense Minister Pavel S. Grachev called Monday for Georgian troops to leave the breakaway republic of Abkhazia, and he attacked the Georgian leader, Eduard A. Shevardnadze, for using force against the ethnic separatists there, the press agency Itar-Tass reported.

The Croatian news agency, HINA, quoted John Mills, a spokesman for the mediators, as saying there were "no steps forward in negotiations."

This will be the third new bank note issued in a month, each bearing more and more zeroes. In mid-August the bank issued a 500 million dinar note, then worth \$3.50, and two weeks later a one billion dinar note, then worth \$3. The same notes are now worth 30 cents and 60 cents.

Mr. Shevardnadze remained in the Abkhazian capital, Sukhumi, as fighting continued on the outskirts of the city and troop reinforcements and military hardware poured in, a Georgian spokeswoman said. The fighting continued despite an agreement reported Sunday in which both sides were to withdraw their forces.

# A NATO Force for Bosnia?

UN Chief Says 'Yes,' but Insists That Alliance Pay Cost

By Paul Lewis  
New York Times Service  
UNITED NATIONS, New York — Secretary-General Butros Ghali says he welcomes NATO's taking full control of any new peacekeeping operation in Bosnia, and that he will pass the message to the U.S. secretary of state.

mind Mr. Christopher of the American debt to the UN. At the end of August, UN members owed a total of \$1.9 billion in dues and peacekeeping assessments. The United States owed \$779 million.

not going to quarrel with the Clinton administration if it indeed decides it cannot send the 20,000 or so troops promised for Bosnia peacekeeping unless the alliance is in sole control.

But he made it clear in an interview on Sunday that the cost of any such venture must be borne by NATO. "The United Nations flag must not become a flag of convenience," he said.

He also dismissed British and French fears about the cost of a NATO operation, saying the alliance should obtain contributions from rich countries like Japan and Saudi Arabia who are not members.

Mr. Grachev, who held talks with Mr. Shevardnadze on Friday, said the Georgian leader had rejected his proposal to deploy additional Russian buffer troops in the conflict zone to disarm the warring sides and end the hostilities. He said it was only on Sunday that Mr. Shevardnadze, who had earlier vowed to defend Sukhumi "with my bare hands," had agreed to the Russian proposal, by which time, according to Mr. Grachev, it was too late to implement.

Mr. Butros Ghali said Secretary of State Warren M. Christopher had asked to meet with him on Monday in New York. Officials said that Madeleine K. Albright, the U.S. representative to the United Nations, was arranging the meeting so Mr. Christopher could discuss administration efforts to involve the United States and other deep players in peacekeeping and other operations.

While Britain appears most worried about the financial implications of a NATO operation, France, which does not belong to NATO's integrated military command, has political objections to any operation that would effectively be under American control.

Mr. Grachev said Vladislav Ardzinba, the Abkhazian leader, had told him that Abkhazian forces would agree to open a corridor allowing Georgian troops to pull out and had agreed not to enter the center of the capital.

# WORLD BRIEFS

## Pakistan Clears Path to Elections

ISLAMABAD, Pakistan (AFP) — A superior court judge has withdrawn contempt notices against Benazir Bhutto and Nawaz Sharif, court officials said Monday, a move that freed the former prime minister to contest legislative elections Oct. 6.

## Somali Gunmen Wound UN Soldier

MOGADISHU, Somalia (Reuters) — UN soldiers struggled to extend control over a road running through Mogadishu's most dangerous district on Monday, and Somali gunmen shot and wounded a Pakistani peacekeeper.

## Israel's Chief Rabbi to Meet Pope

MILAN (AP) — Israel's chief rabbi said Monday that his meeting with Pope John Paul II will strike a blow at anti-Semitism in the world.

## China 'Takes Note' of Clinton Appeal

BEIJING (Reuters) — China said Monday that it had heard President Bill Clinton's appeal not to resume underground nuclear testing but again declined to say whether it would comply.

## Head of South Korean Police Resigns

SEOUL (Reuters) — South Korea's national police chief resigned Monday, the latest casualty in a government crusade against corruption.

## Demjanjuk's Family Acts on Threats

CLEVELAND (Reuters) — Members of John Demjanjuk's family fled to Israel on Monday to bring him home to the United States, promising tight security against death threats aimed at the accused Nazi death camp guard.

## For the Record

Greece strongly protested to Albania after Tirana closed primary schools serving ethnic Greek children in three Albanian towns, Foreign Minister Mihalis Papakonstantinou said Monday. The schools are in Saranta, Gjirokastra and Delvinou, where Albania's Greek minority is concentrated.

## TRAVEL UPDATE

### Airport in China Is Called Unsafe

BEIJING (AFP) — The airport in Yinchuan, capital of northwest China's Ningxia region, is highly unsafe and accidents are likely to occur unless its runway is extended, a report said Monday.

### Nicaragua Bus, Truck and Taxi Drivers Striking Nationwide

Nicaragua bus, truck and taxi drivers were striking nationwide to oppose President Violeta Barrios de Chamorro efforts to raise vehicle taxes and fuel prices.

### Iran Will Switch to Winter Time at Midnight (1930 GMT) Tuesday

Iran will switch to winter time at midnight (1930 GMT) Tuesday, turning clocks back one hour, Tehran Radio said Monday. Iranian time will remain 3 1/2 hours ahead of GMT until March 20.

**HAUTE CUISINE HAUTE ELEGANCE**  
  
**BEAU-RIVAGE PALACE**  
1006 Lussane - Switzerland  
Tel. 021 81 31 31 Fax 021 81 31 31  
A member of The Leading Hotels of the World

**Germany Seeks 2-Year UN Slot**  
BONN (Reuters) — Germany, whose long-term ambition is a permanent seat on the United Nations Security Council, is seeking a temporary two-year membership, the Foreign Ministry said Monday.

**With MCI CALL USA and MCI WORLD REACH services, reaching around the world has never been easier.**

To reach around the world, use your MCI Card or call collect? Just select the number next to the country you're calling from. An English-speaking operator will put your call through to anywhere in the 50 States as well as a growing list of participating World Reach countries!

Austria	022-903-002	Ecuador	170	Italy	172-1022	Saudi Arabia	1-800-11
Belgium	078-11-00-7	Finland	355-5770	Kenya	08001	Slovak Rep	00-42-00012
Bolivia	0-800-2222	France	9800-102-80	Kuwait	800-MCI (800-624)	Spain	900-99-0006
Brazil	000-802	Germany	19-00-19	Lebanon	425-036	Sweden	030-795-522
Canada	007-2316	Greece	00-800-021	Mexico	55-800-674-7000	Switzerland	155-0222
Colombia	980-15-0006	Hungary	00-800-0141	Netherlands	06-022-99-22	Turkey	99-800-1777
Cyprus	080-90000	India	000-427	Norway	050-1292	UAE	800-11
Czech Rep	00-42-00012	Ireland	1-800-551-001	Peru	001-190	United Kingdom	0800-89-0222
Denmark	8001-0022	Israel	17-150-2727	Poland	07-04-800-222	Uruguay	000-412
Dominican Republic	1-800-751-6624			Portugal	05-07-1234	Venezuela	800-114-0

\*Country-to-country calling may not be available to 6 from all MCI CALL USA locations. Certain restrictions apply. \*Use for second call time. \*\*Available from most major cities. When dialing outside of Cono Del Sur. When dialing outside of Lima, the access number is 190. \*Limited availability. \*Collect calls to US only. In some countries, public phones may require deposit of coin or phone card for dial time. \*Service from public telephones may be limited. Rate depends on call origin in Mexico. \*Service available on a limited basis in eastern Germany. © MCI International, Inc., 1993. MCI, its logo, and all other MCI products and services mentioned herein, are proprietary marks of MCI Communications Corporation.

**OVERHEARD**  
  
Edna and Horace, unaware of advanced telecommunications, put their trust in carrier persons.

OVERHEARD

the Amis  
From Politic  
Our impressive  
we can't wait to



# STATESIDE / AN M.D. APPEAL

## Koop Is Set To Promote The Clinton Health Plan

**The Associated Press**  
**WASHINGTON** — President Bill Clinton asked a group of prominent doctors Monday to support his health-care plan, promising malpractice reform, less paperwork, fewer government regulations and no loss in earnings.

Hillary Rodham Clinton, who opened the meeting, named Dr. C. Everett Koop, who was surgeon-general in two Republican administrations, to organize a series of forums to give doctors a chance to hear about and comment on the plan.

Dr. Koop said Monday that Mr. Clinton had already accomplished more in health-care reform "than all of his living predecessors put together."

The president is to address a joint session of Congress on Wednesday on his far-reaching plan to guarantee health coverage for all Americans while drastically slowing the rise in medical costs.

On Monday, he told more than 100 doctors in the White House. "We clearly must preserve what is right with our health care system," he said. "We must preserve the close patient-doctor relationship, the best doctors and nurses, the best academic research, the best advanced technology in the world."

"We can do that and still fix what's wrong," he said. "In fact, we can enhance what's right if we fix what's wrong."

The White House prepared a short outline of how the health-care overhaul would affect doctors. It promises to trim paperwork, streamline regulations, change malpractice laws and maintain doctors' incomes.

The malpractice changes would limit attorneys' fees and require patients wishing to file lawsuits to first make their case out of court. The outline said the gap between the incomes of specialists and primary care physicians would be closed as the demand for primary care grew.



Former Surgeon General C. Everett Koop, left, and the Clintons at a meeting with physicians to seek support for the health plan.

## Moynihan Derides Financing Proposal

**By Dana Priest**  
**Washington Post Service**  
**WASHINGTON** — Senator Daniel Patrick Moynihan, the Finance Committee chairman, has called the Clinton administration's plan for financing health care reform a "fantasy" and has said he may support a Republican alternative.

Mr. Moynihan, a Democrat from New York, roundly dismissed both the administration's estimates of cost and the source of the financing.

Mr. Moynihan, in a television appearance, joined the ranks of critics who have challenged the administration's financing plan since last week, when a 238-page draft of the proposal was leaked and circulated.

He said of the White House proposal, which calls for squeezing \$238 billion from projected spending on Medicare and Medicaid: "It's fantasy, but accurate fantasy. These numbers all come out of their computer in that way. They won't last; they must be last."

He said the administration's belief that it could slow Medicaid's projected rate of growth by one-half after years of double-digit growth "is to have lost touch with reality." Medicaid is the federal-state health program for the poor.

There has been significant debate within the administration over just how fast the government should force down the projected rates of growth in Medicaid and Medicare and to suppress private sector spending. Medicare is the federal health subsidy for the elderly.

According to several administration sources, Hillary Rodham Clinton has argued forcefully that there is enough fat in the system to reduce spending without disrupting services.

Treasury Secretary Lloyd Bentsen, among others, has argued for a slower clampdown on spending growth.

But Mr. Moynihan, while saying that passing health care reform would be "a tough fight," added that Republicans and Democrats seemed "to be on the verge of an historic breakthrough."

The Republican leadership last week proposed to expand health care coverage but more gradually than the Clinton administration, and it is this plan that Mr. Moynihan said he might support. Mr. Clinton would cover all Americans by 1997.

The administration plan would require employers to pay about 80 percent of an employee's health premiums, whereas the Republican proposal would require companies to make

plans available but would not force them to pick up the premiums.

The Republican plan would also expand community health clinics, restrict an insurance company's ability to reject applicants and give states flexibility in spending their Medicaid funds. Republican leaders said their plan would not cost the government additional money.

A high-ranking White House health adviser said Sunday that no elaboration on the administration's financing scheme will be available until early October. Mr. Clinton's plan is expected to cost the government \$700 billion over five years, and much of that money would come from money it otherwise would have spent on Medicare and Medicaid.

Mr. Clinton, in his address to a joint session of Congress on Wednesday night, will stay clear of the financing details and speak instead of the principles the overall plan embodies, sources said.

The plan would control Medicare spending by imposing new limits on physician and hospital fees and by trying to limit the number of procedures performed. It would control health spending in the private sector by limiting the yearly increase in health premiums and by making the health care market more competitive.

## Salvos in Court Over Navy Jet

**Los Angeles Times Service**  
**WASHINGTON** — The two biggest U.S. military contractors began squaring off Monday in court against the federal government over the 1991 cancellation of the A-12 attack jet program, the largest legal dispute in defense industry history.

McDonnell Douglas Corp. and General Dynamics Corp. allege that former Defense Secretary Dick Cheney overstepped his authority when he canceled the A-12 contract under punitive terms and then, they say, schemed to cover up the error.

The government asserts that Mr. Cheney's actions were proper and that the companies mismanaged the A-12 program.

The two contractors are demanding \$1.5 billion from the government, while the Pentagon wants a refund of \$1.4 billion. The government has put an estimated 50 attorneys on the case, pitted against 40 for the contractors. The two sides have exchanged nearly 10 million documents.

The trial, which is expected to take two weeks, features an elite cast, including Mr. Cheney and the chairman of the Joint Chiefs of Staff, General Colin L. Powell, as well as many admirals and former senior Bush administration officials.

The A-12 attack jet was intended to replace the A-6 Avenger, a 30-year-old aircraft that is restricted

from flying at top speed because of problems with cracks in its wings. The A-12 was to be the navy's first Stealth jet, flying from an aircraft carrier deep into enemy territory without being detected by radar.

But in 1990, the contractors began experiencing major cost overruns and schedule delays. By the time the program was canceled on Jan. 7, 1991, it was estimated to be anywhere from \$2 billion to \$9 billion over budget.

Judge Robert Hodges temporarily put aside the bulk of the case earlier this year and declared that he would hold a trial on a single issue: the allegation that Mr. Cheney improperly ordered the termination.

## POLITICAL NOTES

### A Reluctant First Saxophonist

**WASHINGTON** — Martha Reeves complained that the president had once upstaged her by playing his saxophone on a TV show for which she and her Vandellas had been scheduled to provide the musical turn. But this night the First Saxophonist announced that he had left his instrument at home, allowing Stevie Wonder to exact Motown's revenge.

Not that Mr. Clinton could have minded, as the 5,000 guests at the Congressional Black Caucus Foundation fund-raiser rose to their feet and applauded with a little more gusto than politeness required. "We now have to break down our barriers just like Israel and the Palestinians did this week," he said.

The dinner, which now jostles for the top spot among the city's monster functions, has grown steadily in proportion to the membership and clout of the caucus. Two years ago it outgrew the Hilton and moved to the Washington Convention Center. This year the organizers added another 100 tables.

The president, whom caucus members had criticized recently for lacking a civil rights policy, thanked caucus members for their "constructive criticism."

He recited off a list of his black appointees, including Surgeon General Joycelyn Elders, his dinner companion.

### Eight candidates, including a former nun, a sheriff and a talk-show host, are on the ballot for Tuesday's nonpartisan preliminary election. The top two finalists will face each other in November for a four-year term.

Boston has had only four mayors, all Democrats, since 1947. With only two candidates of Irish descent, James T. Brett and Francis M. Roache, running this time, Boston could soon have its first non-Irish mayor in more than 60 years.

Polls say that the race is too close to call, but these are considered to be the front-runners:

- Thomas M. Menino. As president of the City Council, he automatically became mayor when Mr. Flynn stepped down in July. During his brief tenure he spent \$500,000 of the city's emergency fund to create summer jobs for teenagers.
- Rosaria Salerno, a City Council member since 1987 who was once a Benedictine nun and emphasizes crime prevention and education.
- Mr. Brett, a state representative. If the election could be won by lawn signs, he would be a shoo-in.
- Robert C. Rafo, the sheriff, who is running a law-and-order campaign that hopes to capitalize on voters' off-mentioned concerns about crime. He was endorsed by The Globe and The Boston Herald.

### Boston's Lively Race for City Hall

**BOSTON** — This was not supposed to be an election year in Boston, but the departure of Mayor Raymond L. Flynn to become ambassador to the Vatican has left the job and the race to succeed him wide open.

## Are the Amish Cruel to Dogs?

### Animal Rights Advocates Denounce Sect's Pet Breeders

**By Michael deCourcy Hinds**  
**New York Times Service**  
**GAP, Pennsylvania** — Amos K. Stoltzfus is one of the bearded, straw-hatted Amish farmers whose 19th-century life style has been romanticized nearly as often as the Amish's horse-drawn buggies have been pictured on postcards and photographed by tourists here in Lancaster County.

But now animal rights advocates, a bit nervous about challenging this popular image, have accused Amish farmers like Mr. Stoltzfus of breeding dogs in a cruel way and flooding the market with puppies that are sometimes maladjusted and sick.

Pennsylvania dog officers and humane agents say they have found many Amish breeders who violate health, shelter and sanitary standards for kennels. And a national humane society has called for a national consumer boycott of pet store puppies that come from Pennsylvania's commercial kennels, many of them Amish-owned.

The Amish, a reclusive Christian sect with roots in Germany, are by no means the only kennel operators who have been cited by the state. "Engelmen," as the Amish refer to most outsiders, have also been charged with violating state laws.

But the Amish in southeastern Pennsylvania have taken the lead in dog breeding in the last decade, opening up a great many, if not the majority, of the hundreds of new commercial kennels in the state and, in the process, taking away business from Midwest breeders.

The Amish have previously had scrapes with the outside world when the biblical laws that govern their lives clashed with local zoning or building codes, but these plain-living, gentle people have never been accused of anything that goes so much against their reputation as animal cruelty.

The crux of this matter is again a clash of cultures.

The Amish say they raise dogs much as they would any other livestock, restricting the dogs to small cages and killing the parents when they are no longer productive. Animal-rights advocates say the dogs need more human contact because they are domestic animals that should be prepared for lives as family pets.

State and federal laws are silent on the moral questions, but they do mandate some things that some Amish consider unnecessary, like a minimum cage size.

"I personally think some of these animal-rights people are more concerned about dogs than their own children," said Mr. Stoltzfus, 56.

Mr. Stoltzfus's 40 Doberman pinschers and Rottweilers, which are housed in a modern metal-clad building, scampered about their caged pens and barked frenziedly.

He sees nothing inhumane about his methods of dog breeding. And he dismisses criticism that a commercial kennel like his produces puppies with behavioral problems because the big kennels cannot give the puppies sufficient human contact.

The Humane Society of the United States, a nonprofit educational organization in Washington, first called attention to problems associated with mass-production breeding in Pennsylvania in 1991, when it called for a national consumer boycott of pet store puppies from Pennsylvania's "puppy mills," as the society calls them.

The boycott continues, with uncertain effect, against Pennsylvania as well as against six other states with many commercial kennels — Iowa, Arkansas, Kansas, Missouri, Nebraska and Oklahoma — that the society had blacklisted in 1990.

Rachel A. Lamb, a humane society spokeswoman, said there were about 5,000 commercial puppy kennels around the nation that breed dogs in cages. They produce about 500,000 puppies a year.

### Away From Politics

A fire destroyed an abortion clinic in Bakersfield, California, and arson is suspected, the authorities said. No injuries were reported.

Two Mormon dissidents have been excommunicated for abandoning their faith by church courts in Salt Lake City, Utah. The actions came months after a church leader identified feminists, homosexuals and intellectuals as the three dangers facing the church.

A Methodist minister was shot to death in front of his congregation and his 13-year-old daughter as he was finishing his sermon in North Salem, Indiana. The police said a woman he once dated was arrested.

A man whose bloody palm print was found at an apartment where a college student was stabbed to death and her roommate gravely wounded has been charged with murder, the police in Gainesville, Florida, said. Richard A. Meissner, 27, was charged with the slaying of Gina M. Langevin and the attempted murder of her roommate, Jena Hull, the police said.

Police said they did not have a suspect in and did not know the motive for the slaying in Tampa, Florida, of Mehmet Bahar, a 17-year-old Turkish exchange student whose body was found near the home where he was staying.

Victoria Van Meter, 11, took off from Augusta, Maine, in a single-engine plane on a quest to become the youngest girl to fly across the United States.

AP, Reuters, AFP

## EDUCATION DIRECTORY

**U.S.A.**

**The New York University Stern School of Business**  
 (formerly Commerce, BPA and GBA)  
 is pleased to announce the establishment of an alumni network in Europe.

If you are a graduate of the Stern School, consider getting involved in alumni chapter activities—it's a great way to support the growing reputation of Stern and to make new friends and associates!

Contact one of the chapter leaders listed below or the Alumni Office in New York City at telephone

<b>London, ENGLAND</b> Mr. Bernhard Meyer, APC '84 71/425-6513	<b>Athens, GREECE</b> Mr. Marios Gartaganis 1/725-2500
<b>Paris, FRANCE</b> Mr. Hervé Saint Hilaire, MBA '82 1/48-25-84-15 (home)	<b>Rome, ITALY</b> Mr. Alessandro Voglino, MBA '92 6/8579-8219
<b>Frankfurt, GERMANY</b> Mr. Götz Mäuser, MBA '91 69/71620	<b>Madrid, SPAIN</b> Mr. Jorge Mata, MBA '91 1/346-5800

**GERMANY**

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE**  
 Schwäbisch Gmünd, Germany

**Degree Programs**  
 Bachelor of Arts (B.A.) • Bachelor of Science (B.S.)  
 Master of International Management (M.I.M.)

**Academic Concentrations**  
 Business and Management  
 German and European Studies  
 International Studies • Computer Studies

**Study Abroad Opportunities**  
 Academic Year • Semester • Summer

**Residential Campus**  
 Language, Computer & Math Labs  
 Dormitories • Dining Facility • Student Center

For additional information, please contact UMUC at:  
 Admissions Office: International Programs  
 University Blvd. at Adelphi Road  
 College Park, MD 20742-1044, U.S.A.  
 Telephone: +48-7171-18070  
 Telefax: +48-7171-52525  
 Fax: +301-985-7078

**A Major American University in the Heart of Europe**

**SWITZERLAND**

**AMERICAN COLLEGE OF SWITZERLAND**  
 A campus of Schiller International University

"Providing a multi-cultural atmosphere, stability and security on an 11 acre campus with excellent residential facilities."

**University degree programs**  
 (A.A., B.A., B.S., M.B.A.) in:

Liberal Arts • International Business Administration  
 Economics • International Political Studies  
 French Language, Literature and Civilization

Fully accredited by ACCS Washington DC, USA

Collegium Palatinum courses in intensive French.

**Preparatory program for university entrance:**  
 designed for those seeking to complete their last year of secondary school in a university atmosphere. Small, tutorial type courses catering to individual needs.

The American College of Switzerland  
 Dept. HT / ACS3, CH-1854 Leyrain  
 Tel: (025) 34 22 23 • Fax: (025) 34 13 46

**HOTEL DU RHÔNE**  
 GENEVA

**Our impressive renovation is complete we can't wait to show you the results**

It's time to switch to "the Rhone!"

TEST THE HOTEL DU RHÔNE

"SIMPLY THE BEST"

one of The Leading Hotels of the World. The Swiss Leading Hotels

TEL. (41 22) 731 98 31 FAX (41 22) 732 45 58

**BELGIUM / FRANCE**

**FRENCH 66 IN THE ARDENNES OR IN PROVENCE**

The advantages of the CERAN concept, with residential courses (since 1975):

1. Intensive study (minimum 40 lessons per week).
2. Plus the constant practice of what you have learnt, every day from 8 a.m. to 10 p.m., with teachers constantly present at mealtimes, breaks and in the evenings.
3. A total of 66 hours per week of full immersion in the language.

Our clients since 1975 include Alcatel, Canon, Deutsche Bank, Dow Corning, European Parliament, German Foreign Office, Honeywell, Lufthansa, McGraw-Hill, Mercedes-Benz, NATO, Philips, SHAPE, Siemens, Toyota, Winterthur, etc.

We also run holiday courses in French for young people (13 - 18).

RESIDENTIAL COURSES IN GERMAN, DUTCH, SPANISH, ITALIAN, JAPANESE AND ENGLISH ARE ALSO AVAILABLE.

Language courses for motivated people.

CERAN ARDENNES  
 204, Avenue du Château  
 B-4600 SPA  
 Tel: (+32) 87 77 41 84  
 Fax: (+32) 87 77 35 29

CERAN PROVENCE  
 B.P. 27284  
 F-30100 FONTVIEILLE-LES-PIERRES  
 Tel: (+33) 04 91 30 35 08  
 Fax: (+33) 04 91 30 35 08

Switzerland: Verboten & Communica - Tel: (+41) 22 740 09 00 - Fax: (+41) 22 740 18 48  
 U.K.: SBSB - Tel: (+44) 954 31 956 - Fax: (+44) 954 32 254  
 U.S.A.: Languey - Tel: (+1) 204 334 0334 - Fax: (+1) 204 334 0340

**SWITZERLAND**

**IHTTI SCHOOL OF HOTEL MANAGEMENT**  
 NEUCHÂTEL, SWITZERLAND

3-YEAR BACHELOR'S DEGREE AND HIGHER DIPLOMA IN HOTEL MANAGEMENT

2 1/2 YEAR DIPLOMA IN HOTEL MANAGEMENT

1-YEAR CERTIFICATE COURSES

ASK MARIA BAKS FOR INFORMATION AT:  
 IHTTI, BOX 4006 BASEL SWITZERLAND  
 PHONE 41-61-312 30 94  
 FAX 41-61-312 60 35

The Special Report on **INTERNATIONAL EDUCATION** will appear on **Tuesday, October 5th**

For more information, please contact your nearest IHT office, representative or Brooke PILLEY in Paris  
 Tel: (33-1) 46 37 93 83  
 Fax: (33-1) 46 37 93 70

**Herald International Tribune**



INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Chinese Nuclear Test?

Why is China preparing, according to American intelligence, to conduct another nuclear test? Its great Cold War foe, the Soviet Union, is no more. Its links with the United States, although politically strained, are strategically cordial. It has just taken an important initiative with India, its one major regional rival with a nuclear weapons capacity. It professes, despite a disturbing record to the contrary, to desire a strong role in global nonproliferation issues. Yet there it is cooking up a test at Lop Nor, conceivably waiting only to see how its bid to host the 2000 Olympics fares when the Olympics people meet this week. Give us the Olympics or we test — is that China's pitch? Nuclear tests stand for a display of national go-it-alone assertiveness against efforts (1) to reduce the accumulation of nuclear weapons and means of delivery by countries with them and (2) to block their acquisition by countries without. The Chinese are using an argument also cited by Americans who favor a limited resumption of testing: test to make weapons safer. Testing advocates always have some explanation that sounds plausible and unthreatening. But the larger truth is that testing nourishes and normalizes the notion that nuclear weapons are relevant, useful and acceptable. This is precisely the notion that confounds the global campaign against proliferation. President Bill Clinton finds himself in an awkward place. He has pursued American reductions and has been outspoken and active in nonproliferation efforts. But he has been caught up in a familiar internal American argument over testing, agreeing last July to extend an expiring legislative moratorium, but suggesting that he might abandon it if others tested. He is hedging. From an American security viewpoint, Chinese tests make no military difference to the United States. As Chinese tests become used as a cover for other nations to advance their own nuclear programs, however, these tests directly affront the American interest in nonproliferation. The Chinese, by their preparations, are in a sense soliciting a foreign judgment. The Clinton administration has been urging restraint on Beijing and stirring others to give similar advice. This is the right moment to make the advice more pointed. — THE WASHINGTON POST.

Two Canadian Federalists

Canada has been struggling for more than two decades to decide whether it wants to be one country, or two or perhaps several. The probability of secession by the province of Quebec now seems, once again, to be rising. The two Canadian leaders who have worked hardest in recent years to hold the country together will both have departed by early next year. Last June the Canadian prime minister, Brian Mulroney, stepped down to let his Conservative Party march into next month's election under a new candidate. Now Quebec's premier, Robert Bourassa, says that he will leave politics in January before the provincial elections later next year. The indigestible difference that keeps threatening Canadian unity lies between the French-speaking majority in Quebec and the English-speaking majority in the rest of the country. Quebec fears that its special culture and traditions are going to be dissolved and replaced by those of the English-speaking mass of North America if it cannot obtain much broader legal powers to defend them — broader powers than the present federal government, and perhaps any federal government, will give it. For the past 10 years Mr. Bourassa has been the reasonable and reliable alternative to flamboyant separatists. Mr. Bourassa has negotiated tirelessly with the federal government for more protection for Quebec's French heritage. At the same time he has reminded Quebec's voters of the substantial costs and burdens that secession would impose. He remains personally popular, but the polls suggest that he was unlikely to win Quebec's next election. The disaster responsible for the departure of both men was the decisive defeat last fall, in Quebec and throughout Canada, of the latest attempt at a constitutional compromise. Both men had invested more in it than they could afford to lose. The separatists cite that defeat as proof that English-speaking Canadians will never give Quebec what it wants. If they win the 1994 Quebec election, they say, they will call a referendum on secession. Much of the rest of the country is fed up with the whole issue and chides the politicians for spending too much time on it when, as in the United States and other industrial democracies, the economy urgently needs attention. As Canada's two great federalists leave office, Canadian federalism itself appears to be fading. — THE WASHINGTON POST.

Save the Haiti Agreement

The Clinton administration was proud to take credit for brokering a United Nations agreement in July intended to return President Jean-Bertrand Aristide to power in Haiti by Oct. 30. Finally, the Clinton team seemed to have found the knack of mixing threat and compromise in the right proportions to achieve diplomatic success. Now it needs to get tough again with the military and police leaders who are out to wreck that agreement by letting things murder and intimidate Aristide supporters during the final weeks of the scheduled transition. State Department and UN warnings are not enough. Without immediate moves to reimpose global economic sanctions and tough U.S. restrictions on the assets of Haitian leaders, the transition government will be paralyzed and Father Aristide's return compromised. Nobody expected the transition period to proceed smoothly. But few were prepared for the systematic targeting of Aristide associates and supporters that is now taking place. On Sept. 12, plainclothes auxiliaries under police command raided a Roman Catholic memorial mass, dragging off and executing Antoine Izemey, a major Aristide financial supporter, while uniformed police looked on. During the next few days, armed men invaded govern-

ment ministries and issued death threats against transition cabinet members. UN observers and even the UN mediator, Dante Caputo. These terror tactics have already led the prosecutor investigating political violence to resign and forced the postponement of crucial National Assembly sessions after frightened legislators stayed away. When the July agreement was being negotiated, Aristide supporters opposed the idea of leaving the commanders who staged the coup in charge while the transition government was set up. They relented after winning assurances that the United Nations stood ready to reimpose sanctions, if necessary, to make these officers abide by the agreement. Those assurances are now being put to the test. A nonbinding Security Council statement on Friday renewed the threat of sanctions, setting no deadline. That will not be enough. Toothless diplomacy did not work when the Bush and Clinton administrations tried it for more than a year and a half after the coup. It will not work now. Unless America and other UN powers quickly back up their demands for effective, impartial law enforcement, Haitian democracy may not get a second chance. — THE NEW YORK TIMES.

Straight Talk From Carter

Former presidents enjoy a special authority and great deal of freedom to speak that comes from having served in America's top job. Few have used that freedom and authority better than Jimmy Carter. It has been said so many times in recent years that Mr. Carter is an awfully good ex-president that it is forgotten how unpopular he was when he left the White House in 1981. During the 1980s it was not at all fashionable to say that one had voted for Mr. Carter, let alone to have served in his administration. Mr. Carter earned back the nation's regard partly for the simplest of reasons. He never tried to cash in on his office or his celebrity. He engaged in the sorts of good works, such as building housing for the poor, that ordinary citizens, not to mention ex-presidents, don't do enough of. On the political level, he held fast to his basic commitments, the most important of which was to human rights. Through the Carter Center, he did a lot of hard work on behalf of free elections and democracy and also lent his hand to efforts to resolve conflicts, especially in sub-Saharan Africa, that much of the rest of the world found easy to ignore. Last week, during his speech at the White House on behalf of the North American Free Trade Agreement, Mr. Carter demonstrated his willingness to risk making enemies by putting his credibility on the line. Without referring to Ross Perot by name — he didn't have to — he offered this uncompromising view of the Texas billionaire's opposition to NAFTA: "Unfortunately in our country now, we have a demagogue who has unlimited financial resources and who is extremely careless with the truth who is preying on the fears and uncertainties of the American public. And this must be met because this powerful voice can be pervasive within the Congress of the United States unless it's met by people of courage who vote and act and persuade in the best interests of the country." We hope these words gave Mr. Perot pause, for it is not easy to dismiss Mr. Carter as the servant of a vast conspiracy or as a politically motivated hit man or as one who doesn't bother to learn the facts. On the contrary, these are the last things one would have said about him even at the depth of his unpopularity, never mind at a moment when he enjoys so much respect for the way he has conducted himself out of office. He spoke with authority when he spoke truth. Mr. Perot the other day — and he spoke truth. — THE WASHINGTON POST.

It's Time the Mideast Partners Got to Know Each Other

By David K. Shieler

WASHINGTON — Now that the Israelis and the Palestinians have finally given each other official recognition, they are free to search for human recognition, the more elusive acceptance that comes from destroying old myths and facing truths long denied. This will be hard, for it means cutting through a thicket of stereotypes and acknowledging that each has been the other's victim. The difficulty and the hope are symbolized by a little-known episode in the early military career of Prime Minister Yitzhak Rabin. In 1948, as commander of the Harel Brigade during Israel's war of independence, Mr. Rabin expelled the West Bank 101,500 Palestinian Arabs from the towns of Lod and Ramle, near Tel Aviv. Those from Lod (including the family of Georges Habbash, who became head of the Popular Front for the Liberation of Palestine) were forced to walk 10 to 15 miles (16 to 24 kilometers) in the summer heat, and those from Ramle were taken by bus. It was "a harsh and cruel action," Mr. Rabin conceded in the manuscript of his 1979 memoirs, but essential, he felt. "Clearly, we could not leave the Arab population in our rear." Mr. Rabin's five-paragraph description of the incident was deleted from his book by an Israeli censorship committee, headed by the justice minister, because it would have tarnished Israel's heroic version of history. It would have violated Israel's cherished fiction that the Palestinian refugee problem had been created solely by Arab leaders who urged people to flee, and it would have bolstered the Palestinians' fiction that all those who left were driven out by Israeli troops. The reality, as revealed in Israeli documents declassified several years ago, was a mixture of expulsion and flight, a complex truth that neither side has been willing to incorporate into its picture of the past. Perhaps history can be faced more honestly now. But it will take some time for Israelis and Palestinians to revise their definitions of themselves as victims with no guilt for each other's suffering. That shift must come at some point on the way to authentic peace. The Arab-Israeli conflict has existed in two

dimensions: Israel versus the Arab states, and Jewish nationalism versus Palestinian nationalism. The latter conflict has been burdened by a special psychology, and is addressed in the agreement between Israel and the Palestine Liberation Organization. Eventually the peace accord may reconcile not only the competition of two national movements for the same piece of land, but also the deeper struggle in which each people's identity has relied on the negation of the other's. Resolving that struggle will be more challenging than drawing boundaries and sharing power. Israeli Jews and Palestinian Arabs are minorities and minorities at the same time. The Jews rule Israel, but throughout history they have been persecuted and marginalized minority and a tiny presence on the rim of the Arab world. The Palestinians are part of a huge Arab majority in the Middle East, but they are nevertheless a minority among the Arabs, often vilified and rejected and persecuted, as in Kuwait after the Gulf War. And they are the minority in the lands controlled by Israel.

On each side, images and caricatures of the other have been taught to children by parents and teachers, codified in textbooks, embedded in literature, popularized in slang. A whole set of stereotypes may prove as resistant to change as biases have been in other multi-ethnic societies. To many Israeli Jews, the Arab is dirty, lazy, thieving, stupid (but witty), primitive (but exotic) and sexually aggressive. To many Palestinian Arabs, the Jew is greedy, cold, conspiratorial, wickedly clever, arrogant (but superior), alien (but advanced) and sexually permissive. Peace or no peace, such attitudes will be hard to dislodge. But another cluster of biases is susceptible to revision if the promise of peaceful coexistence develops. These are the symmetrical images generated by years of war and terrorism: Arabs and Jews tend to see each other as violent, cruel, bloodthirsty, callous and cowardly. According to a survey the year after the 1979 Israeli-Egyptian peace treaty, Israelis viewed Egyptians as markedly less violent than other Arabs. Reaching across the barriers to acknowledge suffering is a gesture with immense power, even when the hardships are not at all parallel.

Political figures on both sides can learn from an episode last January, when 16 Jewish-American and Palestinian-American women, leaders of Jewish or Arab organizations who had been holding dialogues for several years, visited Israel and the occupied territories together. The schedule called for a day trip to Gaza followed by a visit to Yad Vashem, the Holocaust museum in Jerusalem. Several Palestinian women insisted that they not be taken to see Yad Vashem, arguing that they already knew about it and that it was not their responsibility to see it. According to Reena Bernstein, one of the group's coordinators, one Palestinian woman insisted that she be taken to see Yad Vashem, but she refused to go herself through the experience, refused to put herself through the experience. The Jewish women were upset, and Yad Vashem stayed on the agenda, with everyone free to go or not as she chose. In Gaza the women were guided through the twisting alleys with a concrete floor, where three-room houses of 17. In one room, where seven people slept, bedding was carefully folded each morning and placed in the closet. "People were very moved by the whole experience in Gaza," Reena Bernstein recalls, and the Palestinian women were touched by Jews' willingness to go out of their way to see suffering. Everyone was asked to write her reflections briefly, then read them aloud to the group that evening. A politically conservative Jewish woman expressed her compassion for the Gazans living in squalor who neatly folded their bedding as a way to maintain their dignity. She said no one should have to live like that. The last to speak was the Palestinian who had not wanted to lose sleep over the images in the Holocaust museum: "The only thing I want to say is that I will go to Yad Vashem." And she did, along with the others.



The Chinese State Museum. Los Angeles Times Syndicate.

The writer, a former Jerusalem bureau chief of The New York Times who is now preparing a book about race in America, wrote the Pulitzer Prize-winning "Arabs and Jews: Wounded Spirits in a Promised Land." He contributed this comment to The New York Times.

Taiwan Was Temporarily Part of China, but That Was Long Ago

By Maysing Yang and Phyllis Hwang

TAIPEI — Recently, Beijing issued a policy paper reasserting China's claim to sovereignty over Taiwan. "Taiwan has belonged to China since ancient times," it said. China fails, however, to establish evidence of effective administration over the island of Taiwan before the 18th century. Even into the late 19th century, China continued to deny its jurisdiction over Taiwan during numerous recorded confrontations with the United States and Japan. Taiwan became an official province of China only in 1887, and that status was rescinded eight years later when China ceded Taiwan to Japan "in perpetuity" in the 1895 Treaty of Shimonoseki. Beijing glosses over this crucial detail of Taiwan's permanent cession to Japan and the subsequent 50 years of Japanese colonization. In language worthy of a Greek tragedy, the paper speaks of the Taiwanese people who, in 1895, "wailed and bemoaned the betrayal." Some may have been wailing, but others struggled to establish the Republic of Taiwan in May 1895, the first republic in Asian history.

When the republic was suppressed within a year, the Japanese colonialists allowed the Taiwanese people a two-year period in which they could choose Chinese nationality and move to China. Only a tiny fraction of the population chose to do so. This fact offers stronger evidence of genuine despair over the separation of Taiwan from China. After World War II, the Japanese empire was dismantled but Taiwan was never legally reincorporated as part of China. The 1951 San Francisco treaty, in which Japan relinquished its sovereignty over Taiwan, did not specify to whom title to the island would be transferred. Beijing has insisted that Taiwan is an inseparable part of China, but it has no grounds for claiming sovereignty over the island. The People's Republic of China, formed in 1949 when the Chinese Communist Party seized power, has never exercised a single day of control over the affairs of Taiwan. Likewise, while the Republic of China on Taiwan has exercised effective government since 1949, its control has never extended simultaneously to the mainland. Therefore, the government in Taipei has no authority to define the borders of China.

Clearly, the argument that Taiwan belongs to China has no grounds in historical fact or international law. The claim in Beijing's policy paper that Taiwan is an "inalienable part of China" simply reveals an inability to accept reality: Taiwan has existed separately from China for 98 years. After almost a century of divergent political and economic experience, Taiwan and China have evolved into two distinct entities. Taiwan has emerged from 38 years of martial law under the Kuomintang as one of Asia's most prosperous economies and promising democracies. The people elected their own legislators in 1992, and may elect their own president as soon as next year. Taiwan has extensive, unofficial bilateral relations with

many countries and participates actively in international organizations. China does not have to worry about Taiwan declaring independence; it already has it. Beijing's policy paper reveals a dangerous delusion among China's leaders. In the century since China ceded Taiwan to Japan, two world wars have been fought, governments have been toppled and rebuilt, and national boundaries erased and redrawn. Chaos would reign if Europe reorganized itself according to the borders that prevailed in 1895. Yet China continues to invoke archaic territorial claims to achieve the ultimate goal of reunifying China and Taiwan, by force if necessary. As the world approaches a new millennium, we wait for China to emerge from the 19th century. Ms. Yang is the foreign affairs director of the Democratic Progressive Party, Taiwan's largest political opposition group. Ms. Hwang is a party researcher. They contributed this comment to the International Herald Tribune.

As Brazilians Look Out, Outsiders Might Be Smart to Look In

By Philip Bowring

SAO PAULO — Cut off by a curtain woven of language, distance and debt, Brazil in recent years has ignored the world. The world in turn has ignored Brazil. That is now changing. Two years from now, Brazil may well be the place where the rest of the world wants to be. Brazil is noting that while size gives it the ability to survive as a self-obsessed but currently not very successful nation, the rewards of looking outward are, as China has discovered, immense.

One might not think so in Brasilia. The visitor is overwhelmed by a lack of interest in the outside world. Buying a foreign newspaper, so simple in Beijing, Cairo, Jakarta or New Delhi, is a tough task in the capital of the world's fifth most populous nation. International telephone calls are extraordinarily expensive. Significantly, those to Asia and Africa cost three times those to Europe or the United States.

A trade and diplomatic initiative is about to be started in East Asia, with ministers and businessmen visiting six countries including China. But can anyone in the Commerce and Industry Ministry be found to talk about Brazil's trade and relations with the countries to be visited? No. Interest focuses on whether there will be a minister of commerce at the time of the mission. Nationalistic Koreans or Finns learn foreign languages and look outward to strengthen the country. Nationalistic Brazilians may be more inclined to stay home, fretting that outsiders treat the language of one of the world's biggest countries as a minor European tongue.

country with a future going through some temporary difficulties is mostly intact. From a long-term perspective, particularly as viewed from a rising Asia, Brazil may seem an outpost of Western civilization that has yet to deliver prosperity, let alone reach the forefront of progress, while the West generally is past its prime. The short term remains full of political uncertainties. Stopped President Itamar Franco is politically weak and his policies are erratic. Polking for next year's elections is making effective government more difficult. Hopes that the Congress will agree on constitutional reforms to address the fiscal problems at the heart of inflation, further open up the economy and make the political system more effective are in doubt.

No, Expansion Eastward Isn't What NATO Needs

By Charles William Maynes

WASHINGTON — Michael Mandelblat's opinion article "Open Up the Ranks to East European Democracies" (IHT, Sept. 8) is part of a growing campaign to move NATO's borders eastward to the edge of Russia. A widely publicized Rand study makes the same case. So do key senators from both the major American parties, such as Richard Lugar, Republican of Indiana, and Joseph Lieberman, Democrat of Connecticut. These calls are in response to what seems to U.S. policymakers a burning question: "What can we do to save NATO?" But that is the wrong question. The right question is: "What security threats now face Europe and the United States, and how can we best respond to them?" Ethnic conflict is the threat tearing Europe apart — in Bosnia, in Nagorno-Karabakh and potentially around the rim of Russia. Moving the borders of NATO eastward cannot cope with that threat, for an enlarged NATO would be no more willing to send troops to contain the ethnic conflicts in Nagorno-Karabakh or Georgia or Bosnia than the current NATO. Despite protests to the contrary, there is an anti-Russian bias to all the current proposals for moving NATO to the Russian border but no further. There is no threat now emanating from Moscow, but the proposals for an enlarged Atlantic alliance are likely to create one.

The current Russian government — in its effort to curry favor with the West, on whose aid it depends — has now apparently given Poland a green light to join NATO. But membership for Poland, which does not face a threat from any of its neighbors, would immediately raise the question of membership for Ukraine. On what grounds, other than Russophobia, are the Atlantic allies willing to include Ukraine in NATO but not Russia? How, then, can Europe deal with the new threats? First, it can recognize that the problem of ethnic conflict is not a concern that NATO is designed to handle. It could not handle it in Cyprus, and it cannot handle it in Bosnia. The Conference on Security and Cooperation in Europe is already much more active in trying to mediate these disputes precisely because it includes everyone. Second, if Europe decides that it must use force to tamp down ethnic conflict, then it should develop an instrument that has the blessing of all the major European powers, including Russia. Third, NATO members should restrict the alliance to its traditional function of giving Germany an excuse to remain a nonnuclear power, which is in Moscow's interests, while offering Germany insurance against any future threat from the east, which is in Bonn's interests. Fourth, Western Europe should try to cope with the very real feeling in Eastern Europe of being abandoned, not by bringing the former Communist states into NATO but by increasing economic ties with these countries. Trade barriers should be brought down, and the process for nations to obtain membership in the European Community should be accelerated.

There may come a time when a NATO-type alliance will be needed in Eastern Europe. It is not needed now, and efforts to build one could create the very threat that the West is trying to avoid. The writer, editor of Foreign Policy, contributed this comment to The Washington Post.

As for wealth gaps, they are far greater in almost every Asian country, not least in China. Likewise, production of Indians in jungle reservations bigger than most European countries is easier said than done. On the economic front, Brazilians have abandoned the informal autarky that reduced foreign trade to a minuscule 10 percent of GDP. Few now doubt that trade competition and foreign investment are necessary for economic revival. There is a growing recognition, too, that ideas ranging from environmentalism to privatization are necessary imports in the modernization of Brazilian society, as are better education, public health and honest administration. Brazil's confidence that it is a

International Herald Tribune advertisement listing editorial staff: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McLEAN, Publisher & Chief Executive, JOHN VINOCUR, Executive Editor & Vice President, and other names.

Advertisement for the International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Includes contact information and a small graphic.

Historical snippets from the newspaper's pages: 1893: The Last Hurrahs (Homburg-Vor-der-Hohe), 1943: Salerno Retreat (Allied Headquarters in North Africa), 1918: Allies Advance (Paris).

Handwritten number: 100-61250

Handwritten number: 010



OPINION

A President Who Prefers Coalitions

By William Safire

WASHINGTON — One style of leadership says "Follow me." Another style, sensitivity-trained and consciousness-raised, says "Let's see how we can work this out together."

Bill Clinton, especially after his initial leftward lurch came a-cropper on the budget, is of the second sort: coalition-building is his way.

That's fine, say conservatives, on domestic affairs when Democrats are in power; it's the way a Clinton health proposal can be reshaped. But on foreign affairs we recoil at the after-you approach. The spectacle of a U.S. president being rebuffed on Bosnian defense by European allies, then being drawn into policing a surrender negotiated by the United Nations, strikes us as multilateralism run amok.

In a recent interview (on which I may dine out and write deep insider stuff forever), I asked: "What were the topics of his National Security Directives? This was an invitation to spill classified information, which he declined."

"I have read a great deal in the last month or two from people who say that... we may be giving over too much to the United Nations," he said, then tipped the topic of one NSD: "We are looking at what the rules of engagement should be in a general way with the United States forces in United Nations operations, and in other multinational operations."

The National Security Council is apparently wrestling with how to handle times to come when a superpower chooses to act as a subpower. In Korea in the '50s and in the Gulf in the '90s, the United States used a UN cover to run its own show; tomorrow the United Nations or NATO may be using American forces to run a many-nationed show.

Doves think this restraint is overdue, but such deference to global bureaucracies is more than most Americans are ready for. Mr. Clinton sells it this way: "I disagree with those who say that the United States participation in multinational force arrangements is always and by definition a derogation of our national interests. I think sometimes it furthers our national interest and saves money."

That is the straw-man technique I practiced in a previous incarnation: push an opposing argument to an extreme and then disagree. The real choice comes when national interest is in dispute; in such a crunch, Mr. Clinton seems likely to cling to consensus and turn to the United Nations.

So I put it to the president squarely: You seem to be all carrot and no stick. When do you exercise power, show you have a memory, try to impose discipline? "First of all, on Somalia," he replied. "We've been criticized for being all stick and no carrot. And secondly, in-



sofar as there has been a stick in Bosnia ever, the United States has provided it... so I don't think it's fair to say there has been no stick."

I think the criticism of sticklessness is quite fair, reflecting Mr. Clinton's congenial coalitionism across the board. And at home his lust for temporary alliances enshrines political other-cheekiness. The other day, Senator Don Riegle of Michigan embraced Ross Perot to denounce NAFTA, which President Clinton is for; yet the president will help Mr. Riegle raise money to get re-elected. Discipline vanishes when by-gones are always by-gones.

"There's always another vote coming up, always another issue coming up," the president explains. "I was elected with a philosophy of government and a set of positions that did not fall easily within the traditional alliances of either the Democrats or the Republicans in Congress... In the end, on the domestic front, the only stick a president has is whether the people will or will not hold those who are obstacles to progress accountable at the next election."

After eight months in office, does he lean more toward exercising leadership — or toward exercising the ability to build coalitions?

"I don't believe the two things are inconsistent. In America today, I don't think you can govern effectively unless you can build coalitions."

Is there steel under that softness? Will there come a moment when Mr. Clinton's complaisant multi style gives way to the follow-me, un-urge? I don't know. The interviewee gets the last word: "On the domestic front, I just would remind you that it wasn't me, it was Lyndon Johnson who said one of the best lessons he ever learned from Sam Rayburn was never to tell anybody to go to hell unless you can make them go."

The New York Times.

Open Trade Has Been Good for Us

By Edwin M. Yoder Jr.

WASHINGTON — President Bill Clinton tells us that all but one of 18 "serious" economic studies of the North American Free Trade Agreement argue for congressional approval. I see no reason to doubt it. But, having studied some economic theory, I presume that compelling theoretical arguments can be made against as well as for this historic pact with Mexico and Canada.

The issue is probably more intelligibly framed in historical, or if you like mythical, terms. For there is one supremely powerful myth, historically compelling, that says "yes" to NAFTA.

It goes this way: After World War I, the United States rejected not only the peace treaty but the international mechanisms, including the League of Nations, designed to police it.

In that static international system, an inward-looking nationalism and protectionist policies were the watchwords. Soon a brief and hectic prosperity gave way to a deep, persistent worldwide depression.

After World War II, a quarter-century later, a chastened generation of American leaders heeded the bitter lesson of the earlier wartime aftermath. With the British, we Americans designed and sponsored the development of international lending institutions, to assist recovery and to generate capital development. We espoused free trade, in the

form of reciprocal trade agreements under the General Agreement on Tariffs and Trade. We assumed financial responsibility for the devastated nations, especially in the Marshall Plan, "the most unselfish act in human history," as Winston Churchill called it.

Thanks to the resulting flow of labor, aid, capital, technology, raw materials and goods across international borders, the industrial West — and more recently the Asian rim — experienced an unprecedented boom.

Free trade principles applied regionally produced similar effects, notably in the European Community. The Community began with a pooling of coal and steel resources on the Continent soon after the war; it has now evolved, under the Maastricht treaty, into an entity that is beginning to resemble, somewhat, a United States of Europe. And it continues to evolve. Compare the Europe of 1993, with all its frictions, to the Europe of 1933 and the improvement is monumental.

Thus the myth. There may be flaws in it, but it embodies the beliefs that the Western community has lived by, with occasional backslidings, since 1945.

If we set aside the inconclusive quibbling over the short-term effects of NAFTA and view it as a continuation, in the Western Hemisphere, of the post-1945 experience, it is hard to see why anyone would seriously oppose it. Like all dynamic factors (computerization or robotics, for further instances), borders open to the free flow of labor and capital will cause dislocations. There is no point in denying it. But the rewards should more than offset them.

Any competitive system, whatever its scale, offers "comparative advantage."

meaning that each competitor produces what it can produce most cheaply and trades that good or commodity with others operating on the same principle. Eventually all benefit. If it were the aim of economic policy to freeze current arrangements in place, productive change would always be sacrificed to a struggle for stability. And since change will come anyway, whether we like it or not, we would lose both ways.

NAFTA is debatable. But why would the sitting American president and all five living former presidents, and 41 of 50 state governors, favor a trade agreement that they thought injurious to American workers? Are they all out of step, and only Ross Perot and Pat Buchanan in step?

NAFTA is to be feared only by a nation too ill-trained, unenergetic and unimaginative to compete in the world's developing markets. The United States has never been that kind of country, and is not that kind of country now. The easy way to make it that kind of country is by crawling into a shell of protectionism and shrinking from the future.

Washington Post Writers Group.

A Pact for Cheap Labor

NAFTA would help U.S. companies invest more freely in Mexico, essentially to allow multinationals to exploit that country's cheap labor and lax environmental and safety enforcement. It is an investment agreement, not a trade agreement. It would destroy jobs and depress wages in the industrialized United States and Canada while doing nothing to advance the poverty-level wages and living conditions paid by U.S. employers to workers in Mexico.

— Thomas R. Donahue, secretary-treasurer of the AFL-CIO, commenting in The Baltimore Sun.

LETTERS TO THE EDITOR

Who's a Warlord?

Why is General Mohammed Farrah Aidid constantly referred to as the "Somali warlord," while Radovan Karadzic is simply a "Bosnian Serb leader?" What must one do to make warlord status? Must one be black? Or perhaps anti-American? Or is it just that Mr. Karadzic's campaign of murder, rape, ethnic cleansing and siege has been so successful as to command the world's respect?

DANIEL KOFMAN, Jerusalem.

Mother of All Peace Prizes

Regarding the report "For PLO Leader, a Showdown" (Sept. 9): William Drozdiak writes that the Palestine Liberation Organization's financial crisis, caused by its support of the Iraqis in their invasion of Kuwait,

may have helped drive it to making peace with Israel.

If one takes this idea to its logical conclusion, we are indebted to the Iraqis for the peace agreement between the PLO and Israel. Will the Iraqis now claim the Nobel Peace Prize?

GEORGE H. BRASSLOFF, Saint-Aygulf, France.

Beijing, Sydney and Rights

Regarding "For a Sydney Olympics" (Letters, Sept. 10) from L. W. Lane: I am in total agreement with the writer's praises of Sydney as a city in which to hold the 2000 Olympics. As a venue, Sydney is unsurpassed in natural beauty. I am confident that if Sydney wins the right to stage these Games, the organizers would do so in a highly professional and successful manner. On that basis, I actively support the Sydney bid. A number of people, including your

correspondent, have commented that Beijing should not be allowed to stage the 2000 Olympics on the basis of repeated human rights violations. Should China be denied the Olympics on the basis of human rights violations, I suggest that perhaps Australia should be similarly excluded.

For a number of reasons, including the fact that Australia is a "white" and Westernized country, human rights violations here are not regularly reported in the media, in Australia or abroad. Strict so-called defamation, libel and national security laws prevent local media from reporting abuses, while the foreign media usually take little interest in such matters in Australia.

But human rights abuses are rife in Australia and are comparable to those documented in China. The majority of aborigines are forced to live in conditions that make a street kid in New York look positively wealthy. Living in squa-

ler under sheets of tin on the outskirts of towns, they are deprived of the means with which to support themselves. Furthermore, the police and other government agents regularly detain and beat aborigines as they see fit, completely without risk of reprimand or punishment. Aborigines have been detained by the police and then found hanged in their cells. In spite of numerous condemnations from Amnesty International, this practice continues, and few if any police officers have been charged in connection with these innumerable deaths.

Whites, too, suffer at the hands of corrupt and totalitarian government agents. Illegal detention followed by torture is remarkably common in Australia, which tells the world that it is civilized. Critics of the government are prime targets. After a colleague attempted to expose large-scale government corruption in the state of Victoria, he was arrested and detained — with no reason given —

for three months; he was subjected to physical torture and attempts to have him certified as insane. In New South Wales, a police officer who exposed his commissioner as corrupt was declared "insane" and fired. These are not isolated cases, but widespread practices.

Corrupt judges, magistrates and other officials perpetuate the system, with remarkably few being publicly exposed as corrupt until after retirement or death.

RAYMOND T. HOSE, Doncaster, Victoria, Australia.

Watching the River Flow

Regarding the report "For Peres, Zen and the Art of Politics" (Sept. 20): Shimon Peres, the Israeli foreign minister, said he had become a Buddhist in recent years. He explained that he now understood that the river is never the same. "It changes with the water flow,

all the time. The banks may remain the same, but never the water."

Mr. Peres does not need a Buddhist reference. The Greek philosopher Heraclitus said: "You could not step twice into the same river, for other waters are ever flowing into you."

Heraclitus is also famous for saying: "The war is the father of all things."

MICHAEL FLAEMIG, Frankfurt.

Centuries-Long Trek

Colman McCarthy writes eloquently of the Dominican nuns farming in New Jersey (Meanwhile, Sept. 17). He compares Genesis Farm to the Trappist monasteries sought out by medieval pilgrims. That would have been a big trek for those pilgrims: The Trappist order was founded in the late 17th century.

ROBERT F. HILG, Borto.



La Flamme - Ref. 4815/1. Water-resistant to 25 m. Yellow gold 18-carat.

PATEK PHILIPPE GENEVE

WATCHMAKERS TO LAMIES SINCE 1839

# Israelis In Tunis For Talks

## Team to Discuss Refugee Parley

**Compiled by Our Staff From Dispatches**  
**TUNIS**—An official Israeli delegation arrived in Tunis on Monday, the first such visit to Tunisia, and received a subdued reception by the authorities who have provided a base for the Palestine Liberation Organization since 1982.

The three Israelis, an advance team preparing for a conference on refugees next month, were met by junior officials from the Tunisian Foreign Ministry and the PLO. Israel and the PLO signed an accord Sept. 13 in Washington on Palestinian self-rule in parts of the occupied territories.

The Tunisian Interior Ministry banned photographers from recording the delegation's arrival and old reporters they could not speak to the three Israelis.

Tunisia and Israel have no diplomatic relations but Tunisia agreed earlier this year to act as host for the refugee conference, which is part of the multilateral talks begun at the Middle East peace conference in Madrid in 1991.

The Tunisian Interior Ministry banned photographers from recording the delegation's arrival and old reporters they could not speak to the three Israelis.

Israeli planes attacked a PLO building south of Tunis in 1985, killing 75 people, including 12 Tunisians. In 1988, an Israeli team assassinated a PLO leader, Abu Jihad, in Tunis.

The PLO leader, Yasser Arafat, was set back Monday in his efforts to extend his authority in the occupied territories when the underground leadership of the Palestinian uprising attacked his faction for ignoring an agreement with Israel that it said ignored basic Palestinian demands.

It was the first response issued by the Unified Command since the Israel-PLO accord was signed. The



King Hussein and Yasser Arafat exchanging greetings Monday in Amman, Jordan.

command has directed the five-year uprising against the Israeli occupation. All PLO factions, including hard-line opponents of the plan, are represented in the leadership.

The agreement reached between a branch of the PLO and the Zionist enemy does not meet the minimum of the demands that were raised by our masses when the uprising started," the leaflet said. "No Israeli withdrawal has been achieved, no recognition of the Pal-

estinian national rights, no establishment of a Palestinian state and no freeze and removal of the settlements."

The leaflet said the agreement would not mean an end to the struggle against the occupation.

"Let all our activities be against the occupation forces and the settlers," it said, referring to the 120,000 Jews living in the West Bank and the 4,000 in the Gaza Strip.

## SYRIA: 'No One but Israel Has Gained' From Accord, Assad Contends

**Continued from Page 1**

denis. "When they demand in the West and Israel that we silence these groups," he said, "we say, 'Let Rabin silence Likud.'"

Israel's main rightist Likud party has also opposed the agreement.

Mr. Assad said he could not stop battles from erupting between Palestinian opponents of the plan, such as the militant group Hamas, and the PLO.

"The possibility that problems will occur between them is a real

one," he said. "The subject is not as simple as Arafat makes out."

"Syrian mediation in this matter could not happen," he added.

Mr. Assad also said that Mr. Arafat had been "too quick to react" to the Israeli offer and was now trying to "limit the damage." And he repeatedly attacked Mr. Arafat for going ahead without consulting other Arab leaders.

"Collective action is better than individual action and gives a better outcome," he said.

"Israel gives very little to the

group that stands alone and what it gives today it will take back in the future."

Mr. Assad went on to compare Mr. Arafat's actions with those of Anwar Sadat, who negotiated the Camp David accords with Israel that left Egypt ostracized and reviled in the Arab world for nearly a decade. But he warned that Mr. Arafat did not have the power of Mr. Sadat, who was assassinated in 1981 by Islamic militants.

Mr. Assad said that in receiving Mr. Arafat in Damascus after the

## AID: Conference Called

**Continued from Page 1**

must be translated directly and visibly into real progress on the ground."

He said that high unemployment in Palestinian areas had to be addressed, in addition to housing, roads, public administration, tax collection and social services.

Mr. Christopher said President Bill Clinton planned to appoint a committee of Jewish- and Arab-Americans to devise "joint projects and private investment" in the region.

In reviewing the forces that led to the Israeli-PLO reconciliation, Mr. Christopher cited the demise of the Soviet Union as one key.

The old Soviet policies, he said, "emboldened radicals, intimidated moderates and left Israel, save for the friendship of the United States, in a lonely state of siege."

He noted that only Egypt had moved to make peace during the Cold War and called last week's reconciliation a "vindication of Egypt's courage and vision."

Mr. Christopher called on political leaders in the region to keep the peace process alive not only on paper but also in the fundamental psychology of Middle Eastern affairs.

"The leaders of the region must exhort those who have used violence as a tool to renounce it without reservation or exception," he said.

"It is also imperative that quick action be taken to remove the other vestiges of a bygone era. This means revoking, at the upcoming session of the United Nations General Assembly, those United Nations resolutions that challenge Israel's very right to exist."

(Reuters, AFP, AP)

## Azerbaijan Back in the Fold

**Continued from Page 1**

**MOSCOW**—Azerbaijan's parliament, looking to Moscow and other former Soviet partners as it grapples with war and other grave problems, voted Monday to rejoin the Commonwealth of Independent States.

Deputies in the capital, Baku, voted 31 to 13, with one abstention, to return their Transcaucasian state to the Commonwealth fold.

The decision bore the stamp of Azerbaijan's new leader, Geidar Aliyev, a Soviet-era veteran who returned to power after President Abulfaz Elchibey fled a revolt in June.

Mr. Aliyev, a former member of the Soviet Politburo, assured deputies before the vote that he did not support the revival of the Soviet Union.

"I am personally against the revival of the former U.S.S.R. and the Communist Party of the

Soviet Union, and I will do everything possible to lead Azerbaijan on the course of gaining real independence," he said.

"Azerbaijan will not allow any encroachment on its sovereignty."

Mr. Aliyev contends that ending Azerbaijan's isolation from the 10-member grouping will help to restore economic links and to stop the conflict with Armenians from the disputed territory of Nagorno-Karabakh.

In another important step, the parliament approved joining a Commonwealth security pact to which Armenia is also a signatory.

Azerbaijan joined the Commonwealth of Independent States at its inception in 1991, but Mr. Elchibey, who saw Turkey as Azerbaijan's natural ally, withdrew from the Russian-dominated grouping.

## POLAND: Leftists Expected to Stay on Reform Path

**Continued from Page 1**

in Poland's future. "It's one of the pillars of development," he said, adding that his party backed tax-breaks for foreign investors among other policy changes.

He said predictions that his government would simply print money in order to help the growing number of unemployed and elderly poor were wrongheaded and "simplistic."

"We know what a budget is and we know that the money is going to have to come from somewhere," he said.

Mr. Oreksy said he met Monday with Waldemar Pawlak, the head of the Polish Peasants' Party, a former puppet organization of the Communist Party. The Peasants' Party took second place in Sunday's vote.

Official projections say the two parties will win 301 seats out of the 466-seat lower house of parliament, or Sejm. The third-place Democratic Union is expected to win only 69, while the fourth-place Labor Union, which is also leftist, is projected to take 42.

Earlier Monday, the leader of the

centrist Democratic Union, Tadeusz Mazowiecki, the first prime minister after communism's collapse, ruled out joining any government with the former Communists, setting the stage for a leftist-led state.

Damian Damianos, a Warsaw-based Western banker, said that even if a leftist government wanted to reverse the reforms they would have a hard time.

"The state of the economy doesn't give a lot of leeway," said Mr. Damianos, who heads the Warsaw office of International Finance Corp., the private-sector lending arm of the World Bank.

First, under an agreement with the International Monetary Fund, Poland must keep its budget deficit to around 5 percent of its gross domestic product in order to benefit from a loan forgiveness program worth tens of billions of dollars.

Secondly, a large percentage of the economy already functions outside of the government's control. Official estimates say that 60 percent of the work force is employed by private companies that produce more than half of the country's

output. But a large number of economists here believe that Poland's booming private "gray market" is actually much larger and is really the key to the country's future.

A recent government study said that Poland's estimated growth rate for 1993 of 4 percent, the highest in Europe, should be revised upward to 5 percent because of "gray market" growth.

No government — leftist, centrist or rightist — is able to control these entrepreneurs who produce off the books to avoid taxes, smuggle goods to avoid tariffs and pay their workers in cash so they, too, can avoid taxes.

And among the ex-Communists, there are many who have benefited from the "gray market."

Przemyslaw Sekula, a former deputy prime minister under Communist times and a victorious candidate on Sunday, is now an important figure in Poland's oil importation business and a converted believer in the free market.

Asked if he believed in higher taxes, the businessman replied bluntly: "Me? No!"

## BOOKS

### READING FOOTBALL: How the Popular Press Created an American Spectacle.

By Michael Oriard. 319 pages. \$29.95. University of North Carolina Press.

Reviewed by Murray Sperber

**I**N these cost-conscious times, when even university presses try to make money, authors must ask themselves: Who will buy my book and why? Michael Oriard confronts this question in the introduction to his "Reading Football: How the Popular Press Created an American Spectacle" and aims his work at three disparate and probably irreconcilable audiences.

He wants academics to read his book for his cultural studies approach to American sports; he advises historians of sports to study his original research into the popular press of late 19th-century America; and he asks sports fans to enjoy his discussion of the early period of American football.

Unfortunately, this tripartite appeal does not succeed (for starters, academics tend not to buy books — they get them for free or photocopy them). The cultural studies people will disparage Oriard's ground-zero capsule history of their field and his many nontheoretical chapters. The sports historians will like his research but reject his English professor's stress on reading documents — including the rules of football — as various kinds of narrative. And football fans will wonder about an author who tells them to skip chapters, implying that they are either too poorly educated or too dim to understand the material.

Despite its faults, "Reading Football" is an important book, containing constant insights into and extremely useful information about an under-researched period in American football, 1880-1913, as well as sty fast-forwards to the game's current situation.

Oriard, a professor of English at Oregon State University and a former pro football player, offers the single best explanation of the growth of college football from its campus origins at elite Eastern col-

leges to its first "Big Game" — the annual Thanksgiving Day matches in the New York metropolitan area between Princeton and Yale in the 1890s, events that attracted as many as 40,000 spectators and generated major press coverage.

He argues convincingly that the symbiosis between journalism and football began in this period and explains how the New York press cued regional newspapers on the new phenomenon, spreading the sport throughout the country.

Concomitant with the growth of college football (and professional baseball) was the invention of the newspaper sports section by Joseph Pulitzer and William Randolph Hearst. Oriard discusses this in great and interesting detail.

He also offers an abundance of photographs of newspaper and magazine pages from the period. He wants to re-create the 1890s "reading experience." Unfortunately, although the drawings in the book reproduce well, the original text is usually too small to decipher, and the reader must depend on the author's extensive quotations from the sports pages and such writers of the period as Walter Camp and Caspar Whitney to catch the flavor — and the lunacy — of the times.

Oriard is always nonjudgmental. For him, writers spin narratives; some of his storytellers stressed early football's "manliness," others emphasized its class component, and the critics told another tale.

This leads him to discount the corruption of football's first period. In a long discussion of Pop Warner's Carlisle Indians, he con-

cludes, "Carlisle thus represented both the savage and the noble savage in the Anglo-American imagination at the turn of the century, a dialectic as old as the first European encounters with New World peoples."

That might or might not be true. However, the unassailable fact is that Pop Warner was one of the great buccanner coaches of the era, openly paying his "Athletic Boys," scheduling long moneymaking tours for his team, personally pocketing part of the gate receipts, and betting heavily on his own and other games. A congressional investigation in 1914-15 ended his Carlisle career and led to the closure of the school.

This particular narrative — some would call it an indictment — does not appear in Oriard's work. As in his other writings, he mainly views college football benignly. Moreover, his history is only a story. His attitude will make sense to cultural studies people, but sports historians prefer a more positivist approach. Meanwhile, the fans relish the reality of the sport and buy books and video tapes featuring football's most brutal "hits." As a person who experienced the violence of the game during his playing days at Notre Dame and in the NFL, Michael Oriard's subsequent cultural relativism is part of his personal story, but it also produces this unusual, substantial, but flawed work.

Murray Sperber, the author of "Shake Down the Thunder: The Creation of Notre Dame Football," wrote this for The Washington Post.

### WHAT THEY'RE READING

• Nancy Risque Reibach, political consultant, is reading: "Wonderful Life: The Burgess Shale and the Nature of History," by Steven Jay Gould.

"It's all about the catastrophe theory of the world. The first 11 chapters are all about worms, and hard to follow... [but] the first two chapters and the last two chapters of the book are fascinating." (K. Niel Cutler, IHT)



## CHESS

By Robert Byrne

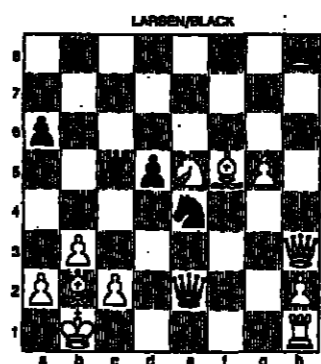
**C**hiburdanidze's unorthodox 7 Qe2?! in this Sicilian Defense prepared for queenside castling and pressure on the d6 line.

On 11 Nc5?!, Larsen judged that 11...Be8 12 g4 b6 13 Nb3 Be6 14 g5 Nb5 15 Rg1 Nf4 16 Bf4 of 17 h4 would be in White's favor. After his 11...a6, Chiburdanidze obtained the bishop-pair with 12 Ne6 fe and planned operations against the doubled e pawns.

Larsen could not storm the center with 14...d5? because 15 Bb3 Qd6 16 Be6! Qe6 17 ed Qe8 18 dc Qe6 19 Bg5 would leave him a pawn down.

Chiburdanidze attacked on the light squares with 16 f5! This permitted Larsen to counterattack with 16...Qa5?! 17 fe?! b4 18 Qe4?! bc 19 e7 d5 20 ef/q Rf8 21 Qc6 Qe2, but he refused the opportunity considering that Chiburdanidze could have exposed it as unsound with 22 bc Qa3 23 Kd2 Ne4 24 Kd3.

The Dane's alternative, 16...b4, let Chiburdanidze regroup with 17 Ne4 Qa3 (17...Ne4?! 18 fe Qa5 19 Qe4 Nd4 20 Rd4! ed 21 e7 d5 22 ef/Q Rf8 23 Qd4 Qa4 24 Be6! Kh8 25 Bd5 Nf6 26 Ba8 Rb8 27 Kbl puts White a pawn ahead while denying Black any counterplay) 18 b3. On



CHIBURDANIDZE/WHITE Position after 20...Ne4

18...Qb5 (18...Ne4? was now to be punished by 19 Bd6 Ne3 20 Qh5 Qb5 21 Bf1, which traps the black queen) 19 Qf3, Larsen could not play 19...d5? because of 20 fe Nd4 21 Qf7 Kh8 22 Bf1 Qb8 23 Rd5.

Larsen aimed for counterplay with 20...Nd4, hoping for 21 Bd4?! ed 22 Rd4 Qe5 23 Rhd1 g6 24 Bb3 Ne4 25 Bg2 d5. Chiburdanidze, however, crossed him up with a nice sacrifice of rook for knight with 21 Rd4! ed 22 Bd4, after which the white pieces dominated the position and she had gotten a pawn.

She launched a mating attack with 26...d5, but it was too late. Chiburdanidze's 27 Qh3! prepared to answer 27...d6? by 28 Bf6 h6 29 Qh6.

After 27...h6 28 Ne5, Chiburdanidze's attack could not be repulsed: of the white minor pieces were aimed at the black king. Larsen tried 28...Be5, but Chiburdanidze would not permit the exchange of her killer Qb for its black counterpart.

After 30 g5!, the Black king position was disintegrating. Larsen played 30...Ne4 and Chiburdanidze delivered the coup-de-grace with 31 Qh6! gh 32 Nf7 Kg8 33 Nh6 mate.

SICILIAN DEFENSE			
White	Black	White	Black
Chiburdanidze	Larsen	Chiburdanidze	Larsen
1	e4	1	e5
2	g3	2	c5
3	Nc3	3	Nc6
4	d4	4	d5
5	Ne4	5	g6
6	Bd3	6	Nf6
7	Qe2	7	Be7
8	O-O	8	O-O
9	h4	9	h6
10	g5	10	g7
11	Ne6	11	g6
12	Ne4	12	g7
13	Ne5	13	g6
14	Ne6	14	g7
15	Ne7	15	g6
16	Ne8	16	g7
17	Ne9	17	g6
18	Ne0	18	g7

In Turkey, we have a long tradition of completing round things beautifully. Like this Iznik jug dated 1850.

Today, whether you're flying from New York, London, Paris, Tokyo,

Zurich or Frankfurt, Turkish Airlines provides the complete

service and convenience of direct Istanbul round trips.

And in the comfort of our young fleet of A340's. We're confident

you'll find our modern vessels as beautiful all round as our classics.

**TURKISH AIRLINES**  
NEW HORIZONS IN COMFORT

هكذا من الأصل



## After Deng, Will China Last?

### Report to Leaders Cites Risk of Breakup

Beijing — China will break apart like Yugoslavia soon after Deng Xiaoping dies unless the central government takes drastic steps to halt a rise in regionalism, an internal report here warned.

The report, obtained by Agence France-Presse, also proposed adopting a U.S.-style federalist system that would reshape the Chinese parliament into a more democratic institution and create a legal framework for handling conflicts of interest between Beijing and the provinces.

The 86-page report, written by two influential scholars and printed by the Chinese Academy of Sciences, predicted a power struggle between Beijing and the provinces as well as interprovincial clashes.

It was distributed to government leaders and senior lawmakers, who have drawn heavily on its analysis and borrowed many of its suggestions, knowledgeable Chinese sources said.

With Mr. Deng, the country's paramount leader, nearing 90 years of age, the report has caused a commotion by predicting for the first time what has long been whispered in private — the assertion of economic federalism by the provinces is driving the country toward upheaval.

"Until now policymakers have not realized the danger of the central government's rapid decline of power, or they have, and have come up with no effective way to halt the trend," said the report, titled "Strengthening Central Government's Leading Role Amid the Shift to a Market Economy."

If a "political strongman" dies, it is possible that a situation like post-Tito Yugoslavia will emerge," the report said.

"In years, at the soonest a few and at the latest between 10 and 20, the country will move from economic collapse to political breakup, ending with its disintegration," it said.

The report contended that Beijing had given too much power to the provinces after Mr. Deng began market-oriented reforms in 1978, and especially since the sudden shift to a market economy last year, which resulted in an economic free-for-all by provinces accustomed to four decades of central planning.

The report stresses an economic weakening of Beijing's control as the fuse of collapse rather than the ethnic divisions that tore apart Yugoslavia.

China's economy may be booming, the report said, but state revenue is being withheld from Beijing, resulting in a "weak center, strong localities" setup.

It said that by the year 2000, state revenue would account for only 11.3 percent of gross national product, or one-third the amount when Mr. Deng's reforms were begun 15 years ago.

Evidence has emerged to back the report's bleak scenario.

Zhu Rongji, executive deputy prime minister and head of the central bank, has acknowledged that the central government was on the verge of bankruptcy before he began a drive to reimpose economic order three months ago, high-level Chinese banking officials said.

"Zhu said in a recent speech that at the worst moment, the central coffers had only tens of millions of yuan left," one official said. One yuan equals about 0.17 dollars.

"It was to the point where Beijing did not even know if it could pay wages," the official said.

The report, written by a political scientist, Wang Shaoguang, and an economist, Hu Angang, said that the essential task for Beijing was to overhaul fiscal policy, especially the "severely flawed" taxation system, which it said cost Beijing staggering losses of more than \$17 billion each year.

It advocated abolishing the current system, under which Beijing negotiates annually with the provinces on the percentage of tax revenues to be transferred to the central government. In its place, separate federal and local taxes would be introduced, greatly reducing provincial bargaining power.

Although the report did not propose a return to state planning, it pointed out that a "market economy does not mean an end to government interference."

In order to head off expected provincial resistance, the report said, China would have to borrow on the model of the U.S. Congress by allowing provinces voting rights to participate in and veto central-government policy, although Beijing could retain final veto power.

## CHINA: Olympic Ploy?

Continued from Page 1

the largest crackdown on pro-democracy dissidents in more than two years.

This would begin with secret trials next month to sentence 17 people jailed last year for free-speech-related crimes.

While Chinese officials have made no public mention of the trials, judicial authorities have told family members of the defendants that they should try to retain lawyers, Chinese and Western human-rights groups said.

In some cases family members were shown bills of indictment, but the authorities refused to provide them with copies of the documents.

By scheduling these trials in October, the government may have been trying to spare itself criticism in advance of a vote on Thursday by the International Olympic Committee on Beijing's bid to host the 2000 Olympic Games.

On Monday, two human-rights organizations condemned the trials.

The New York-based Human Rights Watch "called on the Chinese government to drop the charges and unconditionally release all those arrested for the non-violent expression of their political views."

Similarly, the group Human Rights in China, also based in New York, criticized Chinese authorities for failing to show any progress in improving the country's human-rights record while demanding that the international community confer on Beijing the honor of being host of the 2000 Games.



Wei Jingsheng speaking with reporters on Monday at his parents' apartment in Beijing.

All of the jailed dissidents are believed to be members of pro-democracy and labor reform organizations that sprung up in secret after the 1989 military crackdown on the mass student movement that formed at Tiananmen Square.

"If the trials go ahead as planned in October," said Robin Munro, director of the Human Rights Watch unit, Asia Watch, in Hong Kong, "it would be the largest cluster of political prosecutions since the trials of the alleged 'black hands' of the Tiananmen Square movement began in early 1991."

"The Chinese leadership appears to be deliberately postponing these

trials until after the decision of the International Olympic Committee is announced," he said.

Mr. Wei, in his meeting with reporters, was asked whether there had been any preconditions to his release.

"If there is any precondition, I would not accept it," he replied.

He said he should know before returning to Cambodia on Thursday whether the tumor was cancerous. If it is, he will return to Beijing on Sunday to undergo an operation.

Prince Sihanouk already had planned to be operated on in Beijing. He has kept himself in self-imposed exile while Cambodia's National Assembly drafted a new constitution.

On his coronation, Prince Sihanouk urged the nation to save money "for the vital needs of the people."

Prince Sihanouk was crowned king in 1941 but abdicated the throne in favor of his father in 1955 to enter politics. He ruled in a variety of positions until he was deposed in a 1970 coup.

He suggested that he simply take an oath to become "king with all rights, as if crowned."

## Sihanouk May Have Cancer of Prostate

The Associated Press

PHNOM PENH — Norodom Sihanouk, who is about to become Cambodia's king again, announced Monday that he may be suffering from prostate cancer.

Prince Sihanouk said he wanted to skip a coronation ceremony because it would be too costly to remake his crown and sacred sword, which disappeared during two decades of conflict.

Prince Sihanouk, 70, is to be named king some time after he promulgates the country's new constitution Friday.

In a statement Monday from China, he said his doctors there had discovered that his tumor was "probably more serious than was thought."

"My Chinese doctors have not dared to reveal to me the seriousness of my illness, but it is possible that I have prostate cancer," Prince Sihanouk said.

He said he should know before returning to Cambodia on Thursday whether the tumor was cancerous. If it is, he will return to Beijing on Sunday to undergo an operation.

Prince Sihanouk already had planned to be operated on in Beijing. He has kept himself in self-imposed exile while Cambodia's National Assembly drafted a new constitution.

On his coronation, Prince Sihanouk urged the nation to save money "for the vital needs of the people."

Prince Sihanouk was crowned king in 1941 but abdicated the throne in favor of his father in 1955 to enter politics. He ruled in a variety of positions until he was deposed in a 1970 coup.

He suggested that he simply take an oath to become "king with all rights, as if crowned."

**UN Backs Constitution**  
The United Nations has found no initial problems with the democratic constitution that Prince Sihanouk is expected to put into effect this week, a UN spokesman said Monday, Reuters reported.

## Japan Apologizes on British POWs

TOKYO — Prime Minister Morihiro Hosokawa of Japan apologized Monday to Prime Minister John Major for British suffering at Japanese hands in World War II.

But Mr. Hosokawa rejected any direct compensation for former prisoners of war who were used as slave laborers. The lawyer for a group of 12,000 former POWs seeking \$240 million in damages said he was disappointed.

Mr. Hosokawa said he expressed "deep remorse" for Japan's actions during the war, including brutal treatment of the estimated 57,000 British POWs captured by Japan.

The two prime ministers, in a joint news conference, said a 1951 peace treaty settled compensation and other war issues. But they left open the prospect of some non-governmental action later.

The Japanese Labor Camp Survivors Association is seeking \$20,000 per person for the atrocities its members endured.

Mr. Major said he made "plain the strong feelings that exist in Britain about the issue of the former prisoners of war."

"While we recognized that immediate solutions were not possible," he said, "we agreed to keep closely in touch about this matter, and contacts will therefore continue."

## Japan's Socialists Elect a Moderate to Lead Them

TOKYO — Tomiichi Murayama, considered a moderate, breezed to election Monday as chairman of Japan's Social Democratic Party, averting possible difficulties for the coalition government led by Prime Minister Morihiro Hosokawa.

Mr. Murayama's election as party head means that the coalition still has strong backing from the Socialists. He has promised continued support for Mr. Hosokawa's government, and specifically for the package of political reform measures that Mr. Hosokawa has made the focal point of his government.

Mr. Murayama's opponent in the party election, Masatoshi Itoh, represents the most liberal wing of the Socialists, a wing that has opposed Mr. Hosokawa's reform plan. If Mr. Itoh had won, or even run strongly, in the balloting held over the weekend, it would have been a serious threat to the viability of Mr. Hosokawa's government.

The Socialists, with 73 members of the lower house of the Diet, or parliament, comprise the biggest single party in Mr. Hosokawa's seven-party coalition.

Mr. Itoh got about 20 percent of the party votes. Even that much opposition could be dangerous for Mr. Hosokawa's reform package because his coalition's majority is thin.

But Mr. Murayama, the new party chairman, pledged forcefully Monday to support the coalition position. He said the Socialists were committed to the reform plan, and would vote for the bills when they come to the floor.

Mr. Murayama, 69, will replace Sadao Yamahana. Mr. Yamahana, another moderate, was essentially forced to resign as party chairman after the Socialists lost nearly half their Diet seats in the national election in July.

The Socialists were traditionally a liberal, labor-oriented party with strongly pacifist foreign policy views. But the party now is controlled by a more moderate corps of younger members who call themselves the "New Wave." These members are generally supportive of the new coalition government, and they were the strongest supporters of Mr. Murayama in the party election.

## ANGOLA: A Tragedy Deepens Amid Broken Peace

War as an anti-Communist, rejected the results and resumed the civil war the following month.

The UN special representative to Angola, Alioune Blondin Beye, has estimated that 1,000 people are dying a day from the war and related disease and starvation, and has described this conflict as the world's worst current tragedy, surpassing even Somalia, Bosnia and Cambodia.

Anecdotal evidence suggests that his figures are probably exaggerated. No one knows for sure, because no government officials, international representatives or relief agencies have access to enough of the country to count.

Last week, the UN Security Council voted unanimously to embargo oil and arms sales to Mr. Savimbi's movement, the National Union for the Total Independence of Angola, or UNITA. The embargo, which is to take effect Saturday, is a rare instance of a UN sanction targeting something other than a sovereign government.

Few diplomats expect the embargo to affect the military situation, which already appears to be shifting in the government's direction. Rather, it is intended to tighten the political screws on UNITA, which has become an international pariah since renewing the war.

The embargo and a flurry of other diplomatic activity is expected to result in at least a temporary truce starting Monday, but neither side appears ready for a permanent cease-fire or substantive talks. There is a growing view here that the end of the conflict is months, perhaps years away — a point that Mr. dos Santos underscored last week in an address in which he called for full-scale mobilization.

At the moment, UNITA holds four of Angola's 18 provincial capitals, is besieging four others and is blocking the dos Santos government from administering roughly two-thirds of Angola's territory and one-third of its population.

Western military analysts say the government's best hope is to mobilize an army, eventually drive UNITA guerrillas away from the cities and back to the bush. There, UNITA could remain a long-term nuisance, but — politically isolated — could not sustain a full-scale civil war.

"The only solution quicker than that would be a bullet to Savimbi's head," said one observer here. Mr. Savimbi remains an outsized populist demagogue who, even in his current international fall from grace, is a far more vivid figure than the painfully shy Mr. dos Santos.

Humanitarian aid from other nations is only a fraction of what the UN has judged necessary. A UN appeal this year for \$226 million in assistance to war victims drew pledges of only \$88 million. The United States is the biggest donor and says it will spend about \$90 million on relief efforts here this year.

There is debate over the extent to which the United States and UN have a moral obligation to forge a peace. Mr. Beye's predecessor as UN representative here, Margaret Anstee, has criticized the UN — and by implication the United States — for unwillingness to send in a peacekeeping force.

In an unusually blunt letter to a British newspaper two weeks ago, she argued that "a symbolic force of blue helmets" would have enabled her to mediate a deal during peace talks in Abidjan, Ivory Coast, earlier this year. The talks collapsed in May over the timing and mechanics of UNITA's withdrawal from territory it has occupied since the election.

After being routed in the early fighting, the government has begun slowly to recoup militarily. It has a column advancing on Huambo, Mr. Savimbi's symbolic capital. Using airdrops, it has been able to resupply 1,000 to 2,000 encircled soldiers in Cuito, a central provincial capital that has been under siege since January. An estimated 18,000 people have been killed in Cuito, the bloodiest battle of the war.

The government has renewed a compulsory draft and says it has 25,000 battle-ready troops now and hopes for 75,000 by the end of this year. UNITA has an estimated 35,000 soldiers and a seemingly limitless supply of stockpiled weapons. But its Achilles' heel may be a shortage of fuel.

The fighting has left an estimated 2 million Angolans (out of a total population of 11 million) as refugees in their own country and thousands reported at risk of starvation. In the besieged city of Malange, relief workers report widespread deaths from starvation.

A group of UN and private relief agencies — coordinated by the World Food Program — is geared up to feed 2 million Angolans. But between war and ambushes — last month, four World Food Program workers were killed when their convoy was attacked by UNITA soldiers — food has only reached 600,000 people this month.

## India Rocket Fails After Launching

NEW DELHI — India's most powerful space rocket, the Polar Satellite Launch Vehicle, failed Monday after a spectacular launching, the Press Trust of India said.

The four-stage, 280-ton rocket soared from Sriharikota, north of Madras. The agency said that the first three stages performed as expected, but that the fourth stage malfunctioned.

The rocket was to launch an 850-kilogram (1,870-pound) remote-sensing satellite with a payload built by the German space agency to gather information on terrain and clouds.

For investment information read THE MONEY REPORT every Saturday in the IHT



If you're looking for the most cost-efficient jet, look a little higher.

That's where you'll find the Learjet 31A. High above the weather and congestion of slower aircraft, the Learjet 31A slices through the smooth air of the troposphere with an efficiency never before realized in a corporate jet. An aircraft which, at any altitude, dispels the notion that you must choose between performance and economy. And proves you can enjoy the lowest operating cost per mile without lowering your standards.

Look to the Learjet 31A. The shortfield leader. A cost-efficient wonder. A high-altitude performer that is above the fray and beyond compare.

To receive a profile of this exceptional business jet, simply contact Ted Farid, Vice President Marketing and Sales, at (316)946-2450 ext. 249, or Fax (316)946-3235.



Nothing else comes close.

## British Tourists Have Crashes in Bus and Plane

PARIS — Sixteen British tourists whose double-decker bus crashed in northeast France, killing 2 passengers and injuring 42, survived a second accident the next day when a plane hired to fly them home crashed during an abortive takeoff.

A British Embassy spokesman in Paris said five people were hospitalized with bruises and shock after the plane overran the runway at the Troyes airport on Sunday, crashed through a barrier and ended up nose down in a field. The plane never left the ground.

## THE FUTURE of PRIVATIZATION in EUROPE

THIS MAJOR international conference will take place in Paris on November 9-10. A distinguished group of speakers from government, leading corporations and the legal and financial sectors will examine the outlook for privatization in Europe.

For full program details, please contact: Jane Benney, International Herald Tribune, 65 Long Acre, London WC2E 9JH Tel: (44 71) 836 4802. Fax: (44 71) 836 0717

سكوا من الأصل



A Special Report

Uganda

'One-Movement' Democracy?

Museveni Maintains Party Ban as Moment of Truth Nears

By Mary Anne Fitzgerald

KAMPALA — An interesting test case that may change the course of Western intervention in African politics has been unfolding in Uganda over the past few months. President Yoweri Museveni and a coterie of hard-line advisers have blithely snubbed the EC countries' attempts to ensure fair competition in the forthcoming campaign for a constituent assembly.

Assembly members will be charged with the task of promulgating a constitution that will form the backbone of future government. That government is scheduled to be put in place by general elections in 1995.

The burning question is whether it will initially be a multiparty democracy, or, as Mr. Museveni advocates, a one-movement system. The one-movement system, a presidential hunchchild, is ostensibly an amalgam of political doctrines representative of a national thought.

The issue that is being hotly debated is the climate in which elections are held. The European Community has been pushing the ruling National Resistance Movement to allow greater latitude for political party activity.

Under "a gentlemen's agreement" with the NRM, parties are banned from organizing or canvassing. This severely curtails any opportunity to put forward the case for multipartyism to the electorate.

On occasions when party officials have attempted to do so, they have been harassed and intimidated by the police. The agreement also neatly sidesteps the fact that it has no legislative backing and that the fundamental right of freedom of association is contained in the existing 1967 constitution.

It is recognized that the parties' enforced inactivity for the past eight years has allowed serious in-



President Yoweri Museveni

ternal divisions. Only the Uganda People's Congress, led by the self-exiled Milton Obote, poses a serious threat to the NRM. The UPC is supported by the Nilotic north-easters. The NRM is almost entirely composed of Bantu people from the south and west.

EVEN though the NRM is likely to win the elections under any circumstances, Mr. Museveni and the EC are battling for high stakes. Theoretically, at least, crucial donor funding for the electoral process is contingent to the EC guidelines being met. Should the British-led EC group compromise on their position, it could alter the parameters for Western participation in the transition to democracy in other Third World countries.

What is viewed by political opponents as Western indulgence is due to the widely accepted belief that the transition to civilian rule would falter and perhaps disintegrate without Mr. Museveni at the helm. An exceptional and hard-working leader, he has been almost solely responsible for Uganda's

metamorphosis from anarchy at the hands of the military to an elected government backed by a constitution. Any mishaps at this critical stage would greatly diminish prospects for long-term stability.

The one-movement system was designed as a bridging mechanism that will ultimately lead to multiparty democracy, according to Jonathan Tumwesigye, deputy political commissar of the NRM.

However, there is the inherent danger that once the one-movement system is in place, it could fossilize the dynamics of change and encourage NRM hard-liners to manipulate its perpetuation. There is already the unsettling example of Mr. Museveni's pledge to the nation when he was brought to power in a military-backed coup nearly eight years ago, that he would oversee a turn to civilian rule in four years. The fulfillment of this pledge has become urgent.

Any further details could encourage the establishment of dissident movements. The most important thing now is that the country goes to the polls, no matter how imperfect the process," said an EC diplomat.

"We just hope the process will work."

Tolerance of this unusual departure from the accepted Western

model of multiparty democracy, currently in vogue in Africa, can only be fully understood in the perspective of Uganda's 31-year post-independence history. Uganda has undergone seven changes of government, most of them military-backed coups. The only two leaders to rule for a significant length of time, General Idi Amin and Mr. Obote, sponsored massive human rights violations that resulted in the deaths of hundreds of thousands of people. Many Ugandans, still traumatized from atrocities, fear that the resurrection of political parties would provide a conduit for renewed violence.

"I strongly believe in pluralism but query the timing, given our experience," said Sam Kutesa, a dove in the Democratic Party. "The trial almostism that ran free during all these years has just begun to abate. If you allow it free expression now, you are opening a can of worms. We are looking for peace and dignity so that our women won't get raped by soldiers. Aside from political parties, almost all other freedoms have been restored. In our society, which lost a sense of civil conduct, these things are cherished."

Cecilia Ocul, assistant secretary-general of the UPC, does not agree. "The government has been trying to sell this concept of democracy based on a monolithic system," she said. "It won't be any different from the old-fashioned one-party system that has proved disastrous in the past."

So far, the democracy debate has consisted of form rather than substance as it will be up to the constituent assembly to opt for or against pluralism. The decision will be made by consensus vote. If the vote is more than half but less than two-thirds, the issue will be put to a national referendum.

The draft constitution is essentially popular. It was drawn up on recommendations submitted by 16,000 villagers consulted nationwide. A statistical analysis of the memos shows that 60 percent want a one-movement system followed by a national referendum on the issue in five years' time.

MARY ANNE FITZGERALD, a London-based journalist and author, was born in Africa and worked there as a journalist for 22 years.



Four relatives of 17-year-old Joseph, foreground, have died of AIDS; he provides for the remaining family of 17.

Economic Cost of AIDS Pandemic Rises

Special to the IHT

KAMPALA — Agnes Nasubuga is an attractive, intelligent young woman of 29 with a ready laugh and an intriguing ability to give straight answers to difficult questions. With these assets, she should have everything to look forward to. Yet, circumstances have conspired against Agnes, who expects to die within the next few years.

In May 1990, Agnes went to the AIDS Information Center in Kampala, where one out of three people test positive for HIV. Two weeks later, her worst fears were confirmed. She was carrying the HIV virus.

"I was at war with myself. I spent two months debating before I got up the courage to go. Then I prayed to God. Now I have accepted my situation. It makes things a lot easier."

Agnes first suspected she might be sick in 1988, when she had a fever for almost six months. The following year, her husband con-

tracted tuberculosis. Agnes quit her job as a teacher to nurse him. He died the following year after a bout of malaria.

Her husband's parents accused Agnes of witchcraft and blamed her for their son's death. They seized all the family's belongings, threw her out of her house and took her two elder children, ostracized and destitute, she was left with a young baby to look after. Agnes worries that Marjorie, now 5, is showing signs of being HIV positive as well.

Tragic as Agnes's story is, it is common in Uganda, where cultural mores stretch women's coping capabilities to the limit. Tradition dictates that Ugandan women be submissive. In many regions, they are still expected to kneel when greeting their husband or son. Because they are not sexually empowered, wives dare not complain when men wander from the marriage bed, which they frequently do, or insist that the man wears a condom when making love. A recent study has shown that when couples are negative, it is usually

the man who introduces HIV into the family.

When a family member falls sick, it is the woman who gives up her salaried job or work in the fields to do the nursing. When the husband dies, customary law dictates that all assets, including land, are inherited by his brother or parents.

Almost invariably, the wife falls sick, too. At this point the oldest child drops out of school to assume the adult responsibility of caring for a dying mother, fetching water and fuel, cooking and tending the fields. In many cases these children are preteens.

Very soon the brothers and sisters quit school, too, because there is no money to pay the fees. It is medically recognized that AIDS patients who enjoy a caring support system and have no financial worries live longer than those who do not.

"We look at AIDS not as a disease but as a human problem that affects all sectors of society regardless of whether you are positive or negative," said Manuel Pinto, head of the policy-making Uganda AIDS Commission. Several factors substantiate this statement. Uganda has one of the highest HIV rates in the world — nearly two million people, including many children. One in five sexually active adults will soon contract AIDS.

Economically battered and psychologically traumatized by years of war, the nation is ill-equipped to handle this pandemic. The medical services have neither the drugs nor the facilities to cope with the sick and dying. Because professionals fled the death squads of former Presidents Milton Obote and Idi Amin, there is one doctor for every 22,000 people. In the West, this ratio is 1:500.

Initially, researchers concentrated on the epidemiology of AIDS, its prevalence and rate and method of transmission. Now they are addressing themselves to a far more complex issue, the economic impact AIDS will have on national output. Forecasts indicate that declining gross domestic product will be greatest in Africa, a continent that has the most infections and the least resources.

Nearly 80 percent of the economic cost of AIDS is the hidden one of lost earnings, according to a

paper published by A.D. Cliff and M.R. Smallman-Raynor of Cambridge University, England. According to their projections, the cost of coping with AIDS could represent 13 percent of GDP between 1995-1999.

AIDS is "... the killer of the fittest," according to "The Hidden Cost of AIDS," a book published by the London-based Panos Institute. "The population it leaves behind is less able to cope, because it has lost its most productive sector."

Uganda already has a shortage of skilled workers at every level. Those affected include a large number of the educated elite. But shopfloor workers pose an equally worrying problem. At least 50 employees died of AIDS in the Posts and Telecommunications Corp. in 1991. An estimated 10 percent of railroad workers have also died.

AIDS accounts for the 15 percent rate of labor turnover in industry. Companies cope with a variety of strategies, from providing education and condoms in the workplace to screening of potential employees. Many provide medical cover and salaries until the worker's death. Compensation is costly. The railroads now spend a per-capita average of \$300 a year, compared to \$69 five years ago, on medical expenses.

THE long-term prognosis for the labor force is even gloomier as tomorrow's adults slip through the education net. AIDS orphans number over 1 million. In Rakai, one of the worst-hit districts, one-third of the children are school dropouts.

Agricultural output will decline, too, because of a shortage of labor. Already farmers are switching from cash to food crops, which are easier to grow. Nutrition levels will fall and urban food supply will decline, pushing up prices and inflation.

While projected scenarios appear to be of the doomsday variety, there is hope. Increasingly, Ugandans are opting for condoms and fidelity in their sexual behavior. And counseling from numerous community support systems are prolonging the years that HIV-infected people can hold down a job.

Mary Anne Fitzgerald

Advertisement for Madhvani Group featuring various products like KAKIRA SUGAR, NILE SPECI LAC, and GASHOL. Includes the slogan 'Madhvani makes it...' and the Madhvani Group logo at the bottom.

Advertisement for Bank of Uganda featuring the bank's name, logo, and a testimonial: 'The performance of the Uganda economy in recent years has demonstrated that disciplined financial policies are an essential condition for rapid economic growth...'.

Advertisement for Hotel Equatoria, Kampala's newest hotel, offering services and amenities. Includes contact information: 'For reservations contact: Hotel Equatoria Tel.: (256 41) 250780/9...'.

Handwritten text in Arabic script: 'السنة 1500'.

Handwritten number '010'.



Uganda

# Uganda

## A Special Report

### Royal Pomp and Realpolitik

**Special to the IHT**  
**KAMPALA** — In July, Ronald Muwenda Mutebi, a former salesman in London and old boy of Bernonsey public school, obtained his true calling in life when he was crowned Ssabasajja Kabaka of Buganda. The new king, 37, clad in leopard skins and a \$45,000 gold-embroidered gown supplied by Ede & Ravenscroft of Chancery Lane, robed in royalty, had beforehand paid a visit to the umbilical cord of his late father, Sir Edward Mutesa.

It is kept wrapped in bark cloth in a hut under the watchful eye of the Kibugwe, the Keeper of the King's Umbilical Cord. Tradition dictates that the Crown Prince takes it into his hands to show the unbroken line of kings, said to date back to the 13th century.

Kings are in vogue these days in Uganda. Patrick Otim, once a tea broker and more recently ambassador to Cuba, has been reinstated as king of Toro. The ceremony was attended by his sister, Princess Elizabeth, better known for her resilient career as former President Idi Amin's foreign minister, ambassador to the United States and her bit part as a witch doctor in the movie "Sheena, Queen of the Jungle."

The Kyabazinga has already been reinstated as traditional ruler of Busoga. This November, Prince Solomon Iguru is to be crowned the 27th Omukama of Bunyoro. And in August, the Iremangoma was restored as king of the Rwenzururu.

All this royal pomp was unleashed when President Yoweri Museveni pushed a bill through parliament in mid-July sanctioning the reintroduction of monarchies. The move was calculated to outflank the supporters of the politically contentious issue of multiparty democracy. The allegiance of the Baganda, who

number about a quarter of the population, is crucial if Mr. Museveni, a Banyankole, is to succeed in installing the one-movement system that he advocates.

Members of the opposition political parties point out that the restoration of the monarchies should have been postponed until it could be discussed in the constituent assembly in 1994, a forum specifically designed to seek a consensus on constitutional issues. However, in his opening speech to parliament earlier this year, Mr. Museveni justified the hasty legislation by claiming that repression of monarchies was an abuse of human rights.

Mr. Museveni also said that the Baganda should be rewarded for their loyalty before he became president. During the five-year bush war against former President Milton Obote that brought the National Resistance Movement government to power, many Bagandas joined the rank and file of the then rebel National Resistance Army.

Observers say that, in reality, Mr. Museveni is looking beyond reparation of a war debt. More than other ethnic groupings, the Baganda enjoyed the educational fruits of colonialism. In addition, the capital of Kampala is in Buganda. As a result, Bagandas form the backbone of the economy and still control much of the commercial and industrial sectors. Their enthusiasm for the regime at this crucial stage of reform, when structural adjustments are hurting the man in the street, could swing the balance in achieving economic targets.

Yet, Mr. Museveni may ultimately have overplayed his hand. Many Bagandas see the Kabaka as an avenue to a greater influence in the postelection government. The current debate in the Lukiko, the traditional parliament of Buganda, is whether or not to advocate a federal constitution. A recent

survey indicates that 40 percent of Bagandas are for it.

It is members of the older generation who form the core of federal thinking. They recall that the Kabaka's father, known as King Freddy, was made head of state under a federal constitution at independence in 1962. Four years later, Mr. Obote, then the prime minister, decided to demolish the Bagandas' growing political aspirations and ordered his troops to storm the king's palace. Sir Edward fled to Britain and a republican constitution that abolished the monarchies was promulgated.

The new king, a novice in the cut and thrust of politics, is aware that the role he is expected to play is a nonexecutive one.

However, Bagandan political ambition lies close to the surface. The finance minister, Joseph Mayanja Nkangi, heads the Lukiko parliament. Asked if this presented a conflict of interests, Mr. Mutebi replied, "Hopefully, he will be talking first as a member of the Lukiko and then as a cabinet minister. I think that's how allegiances have to work."

Mr. Mayanja Nkangi, who was appointed to the cabinet as a nominated member of parliament after he lost in the 1989 elections, is also head of the Conservative Party, a reincarnation of the Kabaka Yekka (King Only) party, which flourished under Sir Edward. Any demonstration of ethnic partisanship could draw accusations that the Bagandan monarchy is trying to destabilize central government.

It could also inflame the historical antagonism between Northerners and Southerners. The Northerners, who are Nilotes, have traditionally paid fealty to chiefs, while the Bantu Southerners were historically divided into the kingdoms of Buganda, Bunyoro, Toro and Ankole. Mr. Obote, seen as the



Ronald Muwenda Mutebi, the Kabaka of Buganda.

architect of the abolition of the monarchy, is a Northerner.

"Much depends on how the king conducts himself," said Samuel Kutesa, a Kampala lawyer. "He must realize that a cultural monarchy is different from the absolute

monarchy of his forefathers. What has been reinstated is a cultural head of the Baganda. He should not do anything to antagonize other Ugandans."

Mary Anne Fitzgerald

### Western Aid Donors Endorse The Tough Economic Options

By Mary Anne Fitzgerald

**KAMPALA** — This month an IMF mission has given the nod for disbursement of the final \$28 million of an Enhanced Structural Adjustment Facility, and donors have conferred over releasing \$13.4 million to pay for the next phase of paring down the civil service. A World Bank mission is preparing for the second phase of military demobilization and yet another World Bank mission has assessed an AIDS program with the brief that it is to be implemented as quickly as possible.

The lovefest between President Yoweri Museveni and Western donors, unanimously committed to Uganda's economic turnaround after decades of state-sponsored violence and devastation, continues.

Just as well. The country would be hamstringing the annual flow of \$500 million in concessional funding that has been guiding the economy away from the uncontrolled expenditure, rampant inflation and declining GDP that was the legacy of previous regimes.

Uganda is a leading light in the region, said Mark Elyne, the Kampala-based representative of the International Monetary Fund. "It's doing the economic reforms that Western governments like to support. Museveni is one of the few leaders who has made hard decisions and seen them through."

It is this thinking that has fueled Western generosity. At the consultative group meeting of donors in May this year, Mr. Museveni asked for \$650 million in assistance. Donors pledged \$830 million although this sum is unlikely to be absorbed this financial year. Concessional finance underwrites half of the budget annually. There is every indication it will continue to do so for many years to come.

Western enthusiasm for Uganda stems from the perception that the National Resistance Movement's performance to date validates their programs in Africa, where diligence in carrying out reform has been poor. Mr. Museveni, in marked contrast to most other African heads of state, seems determined to opt for hard rather than soft options, often jeopardizing his own political standing by doing so.

Over the past two years he has bulldozed several contentious bills through parliament. They include the return of Indian-owned properties expropriated by former President Idi Amin and the planned demobilization of just over half the army. Last year some 22,000 soldiers were returned to civilian life. Another 10,000 will leave the barracks over the next 12 months.

This year Mr. Museveni pushed through another divisive bill that allows for the divestiture of state-controlled companies, despite opposition protests that he was "selling the silver out of the cupboard." In addition, nearly 48,000 civil servants, the majority teachers and casual employees, will have their jobs terminated. Just under half of them will be paid off by the end of this month.

However, development strategy is not all a bed of nails. The World Bank-led \$71 million Northern Uganda Reconstruction Project will eventually rebuild the north, shattered by years of war, even though it is a year behind schedule. A \$125 million Financial Sector Adjustment Credit should go some way to stimulating domestically sourced investment by giving the central bank a greater regulatory role and leveraging up commercial bank capitalization. At present, about half the loan portfolio is nonperforming.

The economic performance over the past year is noteworthy. Gross domestic product grew by 7 percent, inflation plummeted from 64 percent to a negative rate, and the money supply increased by 40 percent. Bank lending rates dropped from 40 percent to below 30 percent.

This was achieved following the appointment of a no-nonsense management team to the Ministry of Finance and Economic Planning 18 months ago. Coordination between the ministry and the central bank has also been strengthened.

Despite the tremendous strides that have been made, external forces conspire against automatic growth. In 1992, after a drought, GDP growth was under 2 percent, demonstrating how deeply the weather impacts on the economy. Agriculture provides more than half of national output and is considered the economic engine of growth.

Marketing of coffee, soon to be followed by cotton, has been deregulated to allow world market prices to reach the farmer. Even so, declining output and falling prices mean that this once reliable foreign exchange earner is no longer the backbone of revenue. Coffee's value has dropped from \$117 million to \$100 million and recovery is not in sight.

With no established export earner to take up coffee's slack, the value of goods imported has swollen to 3.5 times more than the value of exports.

**T**HE budget deficit has been contained by curbing expenditure, foreign borrowing and debt rescheduling. Government planners have urged bilateral donors to divert development finance to assist with arrears repayments on the multilateral debt. They argue that knocking off the debt overhang will solve the balance of payments problem. Some donors have complied.

There is no question that exemplary budgetary discipline has yielded results in restructuring the economy. But at what cost? Many residents of Kampala can afford only one meal a day. And critics say that Western commitment to economic reform rides roughshod over Uganda's social needs. Privately, high-level civil servants agree.

If economic dividends do not emerge soon, the donor-government symbiosis may begin to falter. This year's IMF mission was reportedly tougher than usual in ensuring that expenditure is contained. Meanwhile, many Ugandans concur they are beginning to pay the price for Mr. Museveni's hard options.

### Victories in the Campaign to Demilitarize Society

Special to the IHT

**KAMPALA** — Former Private Osewu Noah is a school dropout whose leg was amputated after being wounded in action against the 1987 rebel insurgency. But despite his physical and educational handicaps, he earns a comfortable living as a smallholder farmer and trader.

Mr. Noah, who is from Toro in eastern Uganda, is one of the success stories of the government's program to demobilize roughly half of its standing army. So far, nearly 23,000 soldiers have been demobilized. As many as 50,000 may ultimately return to civilian life over the next three years.

Like others in the veterans assistance program, Mr. Noah was given transportation to his home and a series of cash payments totaling \$500 to enable him to start a new life.

Perhaps more than any other of the reforms being carried out by the National Resistance Movement regime, this pruning of the military will have a far-reaching impact on the national psyche. Postindependent Uganda's many and varied leaders have in the past shown a preference for rule by the bullet rather than the ballot.

The NRM in some part perpetuated this tradition. After seizing power in 1986, the National Resistance Army absorbed a large part of the Uganda National Liberation Army it had defeated within its ranks. It was a shrewd strategy to indoctrinate former military opponents. At the same time, the bloated army was used to quell scattered rebel activity and shore up the demoralized police force.

With armed political opposition a phenomenon of the past, the soldiers' departure from the barracks is a clear signal that at last the country is moving onto a peacetime footing.

"We are in transition," said Major General Ely Tumwine, a long-standing senior officer in the NRA and head of the veterans assistance program. "It's a sign of

what's happening in our society — less emphasis on the military and more emphasis on political activity. People are going back to their [traditional] means of income."

Demobilization will also be reflected in the economy as a valuable new work force revitalizes output at the district level. Three quarters of the veterans are between 20 and 40, their most productive years. One-third have a secondary school education.

A lean, and professional, army should undoubtedly cost the country less even though salaries are to be raised by 50 percent before the year is out. Expenditure on defense and internal security has been trimmed back from 45 percent of the budget when the NRM came to power to 30 percent last year. This year the military has been allocated about a fifth of recurrent expenditure.

However, overspending and allegations of corruption among high-level officers persist. A quarter of the arrears carried forward into this year's budget comes under defense.

**P**RESIDENT Yoweri Museveni is unlikely to pursue military malfiance through the courts, however. As his power base, he relies on the military for support should a political crisis occur. And the role it plays in government remains considerable. The army sits on all groups responsible for policy and legislation. It has also been guaranteed 10 seats in the upcoming constituent assembly.

Neither must the necessity of defending national borders be discounted. Relations with four of Uganda's neighbors, Sudan, Kenya, Rwanda and Zaire, have been marred by unrest. Only Tanzania, used as a conduit for arms when the NRA was fighting the "bush war" that brought it to power, is a reliable ally.

The greatest threat to internal stability is posed by Sudan, where civil war rages on Uganda's northern border. Last month a government offensive against southern

guerrillas brought the Sudanese Army to within 13 miles (21 kilometers) of Uganda. The influx of 90,000 refugees fleeing the fighting was accommodated with the help of humanitarian organizations. But there is concern among politicians and military officials that should the various factions of the rebel Sudan People's Liberation Army collapse, Sudanese troops will spill across the border.

Iran has given military support to the Sudanese leader, General Omar Hassan Ahmad Bashir, in return for using Sudan as a base for terrorism and as an axis for the spread of Islamic fundamentalism. Sudanese MiGs and Antonovs have dropped bombs on Ugandan territory on three separate occasions during the past two years.

Asked if the government has the capability to defend itself against possible Sudanese aggression,

General Tumwine replied, "Not as much as we would want to fight now. But if they cross, we can deal with them. We are very conscious of our defenses."

Uganda intends to purchase anti-aircraft guns and other military hardware, General Tumwine said. Independent sources believe that ground-to-air missiles have been included on the shopping list.

Mary Anne Fitzgerald

**PEPSI CROWN BOTTLETS LTD**  
 P.O. BOX 20021, KAMPALA, UGANDA  
 TEL: (041) 226382, (041) 283312, (041) 283257  
 FAX: 256-041-228300

CROWN BOTTLETS LIMITED, winners of several QUALITY AWARDS, produce the most popular SOFT DRINKS in UGANDA namely:

- PEPSI-COLA
- MIRINDA
- TEEM
- EVERVESS TONIC
- EVERVESS CLUB SODA

CROWN BOTTLETS LIMITED is enjoying the biggest share of the soft drink market in the country, a market that is steadily growing by the day.

**NB**  
**NILE BANK Ltd**  
 Plot 22, Jinja Road  
 P.O. Box 2834, Kampala, Uganda  
 Tel: 231904/245571/72  
 Fax: 257779 - Tx: 62185

Just as the explorers Speke and Stanley in Victoria's Britain discovered for Europeans the source of the Nile in our country, we at Nile Bank invite today's business explorers and tourists to come and exploit Uganda's enormous economic potential — the country which Sir Winston Churchill rightly described as the "Pearl of Africa."

Nile Bank is a modern and the largest privately owned indigenous bank in Uganda at the heart and pulse of banking businesses with advanced computerised systems. It has professional expertise, excellent connections both nationally and internationally and a network of reputable correspondent banks worldwide.

Whatever your needs — travellers cheques, convertible currency in cash, automatic overdrafts, letters of credit, highly efficient forex bureau, international money transfers by electronic means, cheque credit card, professional advisory services, you name it,

**Nile Bank** has it.  
 Your money and your travel will be worth much more with Nile Bank as we offer our services with DEDICATION and EFFICIENCY and personal attention. The wisest decision one can make in banking is to bank with **NILE BANK**

**When you focus your eyes to Africa for investment, Uganda is the Country to look at... because of its recent Public Enterprises Reform and Divestiture... PERD.**

Public Enterprises Reform and Divestiture (PERD) program was established in 1991 as the implementing agency of the Uganda Government responsible for carrying out the Enterprises Development Program which is jointly financed by the Government of Uganda and the International Development Association (World Bank) Washington.

Among its objectives the Public Enterprises Reform and Divestiture Programme (PERD) has to reduce the public sector, improve performance of the remaining Public Sector Enterprises, and the financial burden on the treasury and generate revenue from privatisation sales. This would lead to the promotion and development of a vibrant, market-led private sector.

The Government of Uganda cordially invites serious investors wishing to purchase partially or wholly our Public Enterprises (PEs) as well as professional management contractors for those Enterprises the Government will retain. This is why Uganda Government needs foreign investors to invest in Uganda, where everything has been put in place... a unique (the best of its kind) investment code with commensurate incentives... suitable political environment, financial (exchange rates) stability of the shilling, personalised understanding of every buyer/investor, careful, long and meticulous preparations by PERD, positive consultations and public support.

**STRATEGY**  
 The Uganda Government has classified those Public Enterprises it will keep under its control, with majority or minority shareholding, those PEs which will be privatised, and those which will be liquidated. As a result 101 commercially oriented public enterprises have been grouped into five classes. (contact PERD for more details).

**PROGRAM**  
 To achieve the above objectives of Divestiture and of improving the performance of public enterprises the Government has sponsored the public reform and Divestiture program through sector - wide studies and planning to identify the most effective means of bringing about such achievement.

For all enquiries contact:  
**The Coordinator,**  
 Public Enterprises Reform and Divestiture Program,  
 Parliament Avenue, IPS Building 6th/7th Floors,  
 P. O. Box 10944 Kampala, Uganda.  
 Phones: (041) 256467, 243995, 258997  
 Fax: (041) 259997 Telex: 61209 (PEPUGA)

**POLICIES**  
 The Government of Uganda is aware that the effectiveness of Divestiture Program in attracting investors will depend upon the overall investment climate as well as the attractiveness of the sales package for a particular public enterprise. Also, the government has taken measures to improve the investment climate in Uganda. Therefore, Government proposes to ensure investor interest in divestiture by:

- (i) Selecting public enterprises for divestiture that are attractive investments or potentially profitable;
- (ii) Ensuring that new owners would have access to term finance for rehabilitation of the Public Enterprise;
- (iii) Autonomy to manage the operations on fully commercial lines;
- (iv) Freely permitting funds held abroad by Ugandans/investors to be used for acquiring equity in divested Public Enterprises; and
- (v) Ensure adequate competition to public enterprises by not restricting entry of other enterprises into similar activities; and prompt the development and introduction of suitable regulatory mechanisms by the supervising concerned ministries to promote private investment.

In conclusion, any investor who will participate in the divestiture of PEs program in Uganda would exploit unlimited opportunities that exist in Uganda today. The success of PERD's programs need a supporting hand from serious foreign and local investors... therefore, turn your eyes to Uganda: "... a country poised to be a success story in Africa..." to quote the IMF representative in Uganda.



# Yamamoto's Artful Shirts

By Suzy Menkes  
 International Herald Tribune

PARIS — From the shoulders of its skeletal wire coathanger hangs a limp white shirt, five buttons, one pocket, flat collar, narrow cuffs. So? A shirt is a shirt. Not if it comes from the scissors of Yohji Yamamoto. Then it is an art form.

The Japanese designer is a high priest of minimalism for the cult following that he has built up since he first showed his pure, spare clothes in Paris a decade ago. Back in the early 1980s the asymmetrical cut dresses, the black jackets, the signature white shirts and black jumper dresses were labeled Alternative Fashion — a contrast to the sexually predatory and conspicuously glamorous clothes that came to be identified with the 1980s.

Now that all that gait has turned to guilt, Yamamoto's design spirit looks visionary. The white shirt has become the symbol of the 1990s New Deal, and modernism has once again become fashion's byword.

"This is the eternal question — what is modern?" Yamamoto says. "I am the type of designer when everything has to be new, adventurous, a challenge. I am always saying to myself 'deny your past!' — even if it was a so-called success. There is no other way to make a show."

Those 40-plus shows, for men and women, have been explorations of themes, occasionally baffling, always intriguing and never playing to the gallery of photographers who will boo and hiss at a parade dominated by sober black. There is a sense of stretching the boundaries of fashion, deliberately destroying the symmetry of clothes and making wrapped garments seem not independent structures but responses to the body's shape and movement.

Yamamoto, who turns 50 next

month, is opening a new store this week in the Rue de Grenelle on the Left Bank in Paris. At the same time, he is launching two other stores called Y's — collections for men and women dedicated not to a relentless pursuit of the avant-garde, but to the fundamentals of his design. Y's was the business that he set up in Tokyo in 1972 with simple styles that are the basis of his financial success. The company turnover in 1992 was nearly 13 billion yen (about \$101 million). Yamamoto is both the favored designer of people working in the arts and a member of their world. His friend the German film director Wim Wenders made a film about him in 1989. And last summer, he worked with the director Heiner Müller, designing costumes for "Tristan und Isolde" at Bayreuth.

"Sometimes I'm terrified by this word 'cult' — I don't like it," he says. "I've always said to myself that I am free. If my fashion is

**The designer is a high priest of minimalism.**

about identification, I really feel sorry."

The Y's collection, widely distributed in Japan, and already on sale in France in Aix-en-Provence and Nice, is Yamamoto's style reduced to its essence, affordable and consumer friendly: navy gabardine coats at 2,400 francs (about \$428) and long raincoats, impeccably cut with the precision learned from his training at Tokyo's Bunka fashion college. There are slim jackets, plain or pinstriped (from 2,200 francs), pants wide or narrow; wrap dresses lapping the body or long ribbed knit dresses (1,850 francs); signature white shirts with mother-of-pearl buttons, also in sky blue this season (450 to 650 francs). The idea of the clothes is that they are layered as the wearer chooses — a 1990s concept that Yamamoto instigated.

"I am very interested in cut. I am interested in simple, sharp shapes for men and women," he says.

"When I was young, I felt Japanese, but I didn't notice, until I started working outside my country," he says. "I realized that after the second world war we have been looking for our own Japanese face. I feel that we lost it."

He cites Kenzo Takada, Issey Miyake and Rei Kawakubo (a personal friend) as fellow Japanese de-

signers trying to show "another beautiful side" of a country that is seen generally as an economic entity with "people looking all the same." Yamamoto says the Tokyo-based designers form a group but that "the way of expression and reaction to each single point is different."

What unites them is a fashion philosophy that contrasts with the search for change and novelty fundamental to Western designers. It is rooted in Japan's 300-year cultural isolation during the Edo period; in the flat-form kimono that wraps the body, rather than molding clothes to it; and maybe in some deeper Zen Buddhist attitude to life.

Yet the real strength of Yamamoto's work seems to come from the fusion of East and West: a different way of looking at clothes but using traditional techniques. The 1990 winter collection was directly inspired by Pierre Cardin and the modernism of the 1960s.

"I wanted to step inside European history," he says. "I remembered when I was a student at dressmaking school and studied Pierre Cardin. I made so many copies — it was quite natural for me to memorize that moment — the modern construction of clothes."

The current winter collection is a homage to classic tailoring, with its focus on dark gabardine illuminated with basted white stitches and with an interlining showing at the lapels.

Yamamoto says he is not a tortured spirit, but quite the opposite — "a very joyful person." He describes his daughter Rimi, with a merry grin, as "very sexy." She is studying fashion at Esmod in Tokyo while his son Yuji works in the company with Y's for men.

The overwhelming impression of the slight designer, in his black silk shirt and dark pants, is one of asceticism. His Tokyo home is spare and plain. His flagship store in Tokyo and the Paris shops are temples of minimalism, with their gray walls, rectangular fittings and geometric staircases, punctuated by flat, quiet clothes.

Yamamoto's last collection — menswear in July — was shown in a convent building — a parade of shirts which in their precise tailoring and gauzy fabrics seemed drawn from Japanese architecture, which uses light as an integral element. They were also perfectly proportioned, simple, wearable shirts that are emblematic of no-fuss fashion for modern times.

Latest creations of the Japanese couturier Yohji Yamamoto (below) include his long blouse-jacket over his signature asymmetric dress (center) and a long kimono-shaped coat.



Garrett (3) Yamamoto, Hovey/Thomas

## Michel Klein Takes Over Design at Guy Laroche

PARIS — More changes in haute couture: Michel Klein, 36, is taking over at Guy Laroche, where Angelo Tarlazzi had been the designer since the death of the couturier in 1989.

"Life is not just evening dresses — I must think about women and their lives," says Klein to explain his philosophy: to introduce simple, modern couture, with

allusions to menswear and a sense of lightness, which he thinks is the essence of today's luxury.

Klein, who will keep his 12-year-old ready-to-wear house, started his career at 15 selling sketches to Yves Saint Laurent, whom he cites as his couture idol, alongside Christian Lacroix. He says that he longs to introduce in couture his love of strong color, which he has sublimated in ready-to-wear, and that his heart thumped

when he toured the couture ateliers last week.

Klein's company is owned by Bic, the controlling group of Guy Laroche whose president, Richard Hanckowiak, interviewed 20 potential couturiers. In spite of a 500 million franc (about \$88 million) turnover, half of that in international sales, especially the Far East, Laroche has been losing money, and the change of designer is part of a general restructuring.

"Haute couture may be the cherry on the cake — but all the cake must be edible," says Hanckowiak.

Klein has clocked up one impressive sales record this season: the Mao-style jacket he designed for La Redoute, the French mail order company, which sold 10,000 in one month.

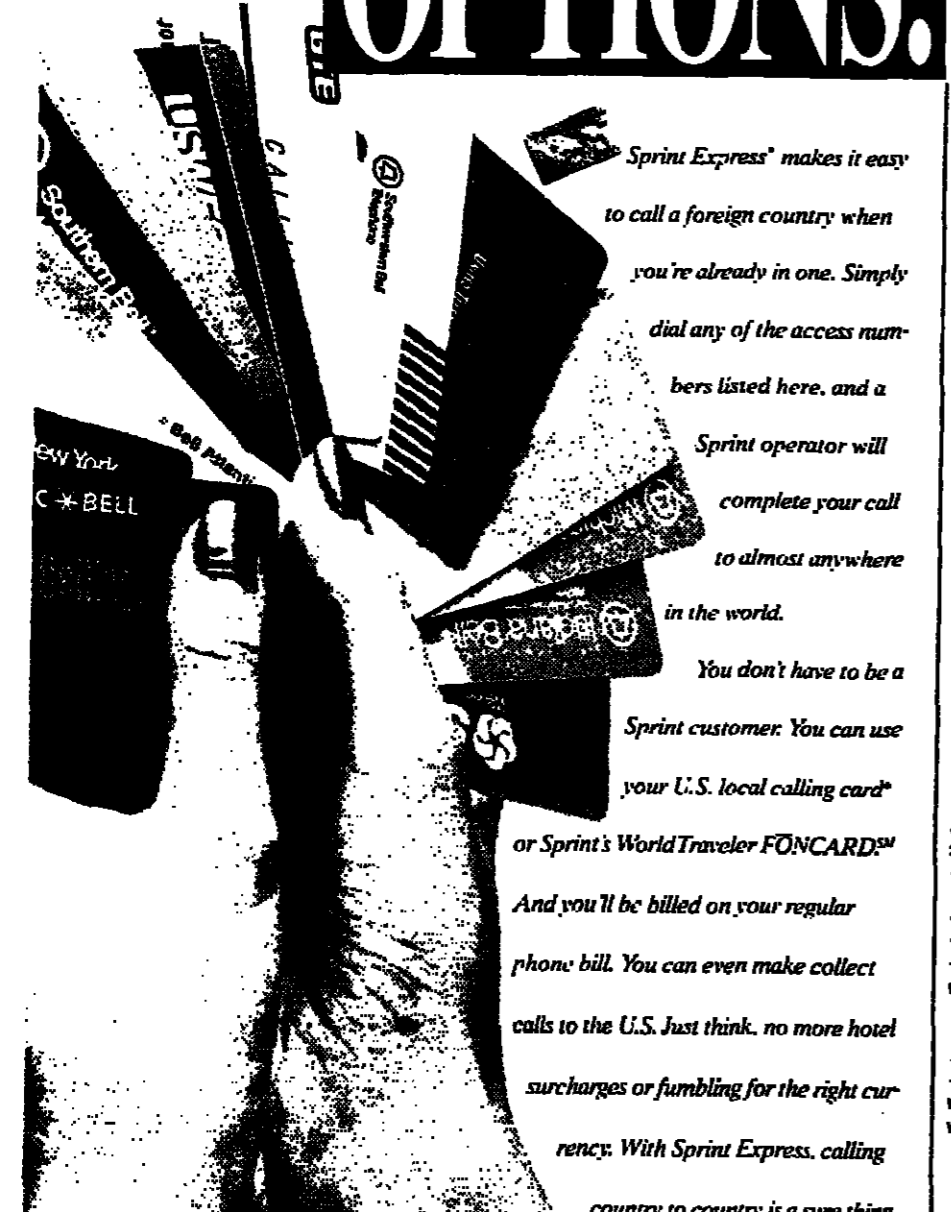
Suzy Menkes

**NEW FALL WINTER COLLECTION ESCADA**  
 Paris left bank  
 For orders  
 FAX: (1) 42 84 24 15  
 Sale on Summer Collection  
**Marie-Martine**  
 8, rue de Sèvres,  
 Paris 6th

TO CALL ONE FOREIGN COUNTRY FROM ANOTHER.

# SPRINT

GIVES YOU A HANDFUL OF OPTIONS.



Sprint Express\* makes it easy to call a foreign country when you're already in one. Simply dial any of the access numbers listed here, and a Sprint operator will complete your call to almost anywhere in the world. You don't have to be a Sprint customer. You can use your U.S. local calling card\* or Sprint's WorldTraveler FONCARD™. And you'll be billed on your regular phone bill. You can even make collect calls to the U.S. Just think, no more hotel surcharges or fumbling for the right currency. With Sprint Express, calling country to country is a sure thing.

- Argentina 01-800-777-1111
- Austria 022-803-034
- Belgium 1-800-388-3311
- Denmark 078-11-0814
- France 556
- Germany (PST) pay phones 14
- Guatemala 1-800-623-0877
- Holland 0800-3333
- Italy 000-8016
- Japan 1-800-877-8000
- Spain 00+027
- Switzerland 800-33-0018
- United Kingdom 800-33-0110
- USA 353
- Venezuela 091-900-01
- West Germany 800-4877
- Worldwide Republics 1-800-784-7877
- Yugoslavia 151
- Algeria 0030-1-0284
- France 19-0087
- Germany 030-003
- Greece 008-001-41
- Guatemala 195
- Holland 001-800-1212000
- Hong Kong 800-877
- Italy 00+800-01-877
- Japan 1-800-05-2001
- Italy 177-802-2727
- Japan 175-977
- Japan 0020-31
- Japan 0020-55-877
- Japan 0020-12
- Japan 0020-38
- Japan 0020-38
- Japan 000-777
- Lebanon 155-9777
- Lebanon 0020-0115
- Mexico (Mexico City) 05-800-877-8000
- Mexico 19-0087
- Netherlands 06-822-9118
- Netherlands Antilles 001-800-745111
- Norway 02-38
- Paraguay 181
- Paraguay 059-12-877
- Peru 15
- Paraguay 008-12-800
- Peru 186
- Poland 000-480-0115
- Portugal 80017-877
- Portugal 1-800-877-8000
- Spain 01-800-877
- Spain 01-800-823-0333
- Spain 155-823
- Spain 172-877
- Spain 0-800-55-0881
- Spain 900-99-0103
- Sweden 000-798-811
- Switzerland 155-8777
- Switzerland 23
- Switzerland 00800-1-4477
- Switzerland 000-331
- United Kingdom 0080-88-0077
- U.S.A. 1-800-877-8000
- U.S. Virgin Islands 1-800-877-8000
- Uruguay 000-417
- Venezuela 172-1877
- Venezuela 800-111-1
- Venezuela 800-111-1



"It is breathtaking... to see the kind of momentous scenes that we have just witnessed from the White House in Washington."  
 Brent Sadler  
 CNN Correspondent  
 September 13, 1993

For global news coverage of history as it happens, 24 hours a day, turn to CNN International. No other news service compares.



## History As It Happens.

For More Information — Subscription Sales — London, Mark Rudolph, Tel: 44.71.637.6700 • Tokyo, ICTV, Fax: 03.3423.6919  
 Hong Kong, Tel: 852.802.7228 • Latin America, Carlos Diaz, Tel: 404.827.5384 • Sydney, Greg Ell, Tel: 612.957.5255  
 Advertising Sales — New York, Kay Delaney, Tel: 212.852.6956 • London, Jack Hobbs, Tel: 44.71.637.6700 • Hong Kong, Lyne Kraselaky, Tel: 852.802.7228 • Tokyo, Nobu Hashimoto, Tel: 81.35.466.1561

**Sprint.**  
 Be there now.

1500 1000 1000

010



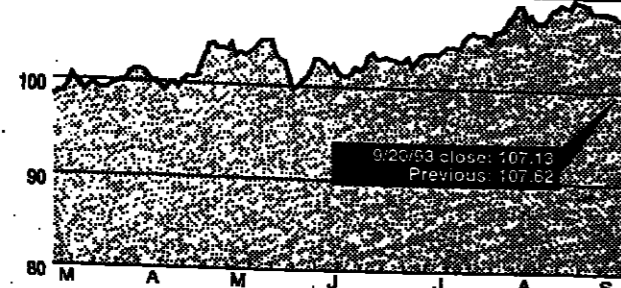
# BUSINESS

International Herald Tribune, Tuesday, September 21, 1993

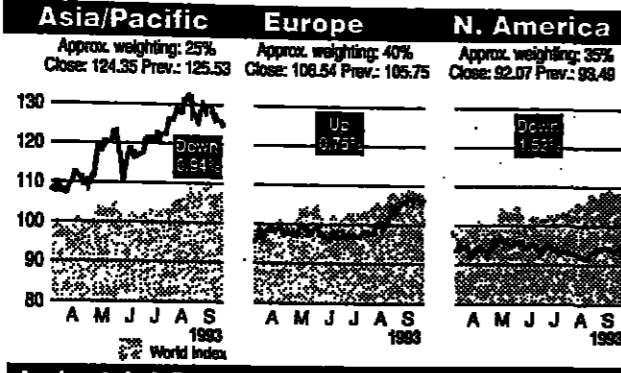
Page 11

## THE TRIB INDEX: 107.13

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.



Asia/Pacific		Europe		N. America	
Index	% change	Index	% change	Index	% change
124.35	+2.5%	105.54	+0.7%	107.13	+0.3%

Readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

## Diller Makes \$9.5 Billion Offer for Paramount

NEW YORK — QVC Network Inc. bid \$9.5 billion for Paramount Communications Inc. on Monday, topping a friendly \$7.5 billion offer from Viacom Inc.

QVC's chairman, Barry Diller, is a former executive of Paramount, and he had been widely expected to lead a bid. QVC, which offers television home-shopping services, said it was bidding \$90 and 0.893 of its shares for each Paramount share. At its closing price on Monday, QVC's offer was worth \$80 a share.

Paramount's stock rose \$1.25 per share, to \$69.75, on the New York Stock Exchange. The bid by QVC, whose stock rose \$3.50, to \$36 a share, was announced after the market closed. Viacom is offering Paramount shareholders \$9.10 a share for each of their shares, 0.1 share of Class A Viacom common stock and 0.9 share of Class B Viacom stock. That offer was initially valued at \$8.2 billion, or \$69.14 a share, including \$9.10 in cash. But Viacom's shares have dropped in the past week and traded on Monday at \$9.25, off 62.5 cents. At that price, the offer is worth about \$7.5 billion.

## The Deal, a Resilient Art Mergers Make Wall Street Comeback

By Michael Quint  
New York Times Service

NEW YORK — The mergers and acquisitions business is booming again in the United States, with a flurry of recent deals whose size recalls the heady days of the 1980s.

More than \$142 billion worth of deals has been announced thus far this year, and while that is far short of the record \$264 billion of 1988, the pace is picking up. In the last week alone, at least eight deals of more than \$100 million were announced — in addition to the proposed \$8.2 billion takeover of Paramount Communications Inc. by Viacom Inc.

Because many Wall Street professionals are also helping companies spin off unwanted businesses to shareholders and are handling the record number of new stock offerings, many financiers say they are as busy as they were in the 1980s. Others of the recently proposed takeovers include American Telephone & Telegraph Co.'s \$12.6 billion agreement with McCaw Cellular Communications Inc. and Merck & Co.'s \$6 billion agreement with Medco Containment Services Inc.

McCaw, the largest company in the cellular phone business, is offering to buy Medco, a drug maker, with Merck, a wholesale drug distributor, "will do more to reduce expenses and make that industry more efficient than anything that Congress could ever do by legislation."

Besides cravering the economic power that comes with size, companies are realizing that they are free to pursue ambitious deals now that they have swept away whatever technologies win the slugfest in the communications business industry.

Companies that have cut costs and improved their profitability are looking for new ways to grow. "It's not just big for big sake," he added. "They want to get more leverage out of a distributed system, spread their fixed costs over a larger revenue base, or increase market share."

On another front, the Federal Trade Commission asked Merck and Medco a few days ago to provide more information about their proposed merger.

For companies willing to take the plunge, the environment could not be more friendly. Whatever means of financing acquirers are hoping to use, John Zaccary, a managing director at Bankers Trust, said, "There is right now a high degree of certainty that deals will be successful."

With the stock market near a record high, sellers command high prices, but buyers can pay by issuing new, highly priced shares. And to the limited extent that debt is used, interest rates are lower than they ever were in the 1980s. Banks are more willing to lend than they have been in recent years, and investors are absorbing record amounts of junk bonds.

## Bank of Japan To Slash Rate To Record Low

By Steven Brill  
International Herald Tribune

TOKYO — The Bank of Japan will cut its discount rate by 0.75 percentage point Tuesday to an all-time low of 1.75 percent, Japanese news agencies reported earlier in the day.

But the reduction is unlikely to provide much boost to the Japanese economy nor take steam out of the high-flying yen, analysts said. Jiji Press and the Kyodo news agency said the latest reduction in the discount rate, which has been at a record low of 2.5 percent since February, was to be announced after an extraordinary meeting of the central bank's policy board. On Monday, the semipublic broadcaster NHK reported that Yasushi Mieno, the bank's cautious governor, would cut the rate to 2.0 percent after the meeting.

confidence is at its lowest level in 18 years. "It's not sufficient and everyone knows it," Peter Morgan, senior economist at Merrill Lynch in Japan, said of the measures and any half-point cut in the discount rate. "So the focus is on what's next: the income tax cut and how soon they can deliver it."

Only income tax cuts — Washington, Japanese business leaders and most private-sector economists agreed — have a chance of rousing private consumption that comprises 57 percent of GNP. But the coalition government has so far been unable to lower taxes, because of opposition from Finance Ministry bureaucrats made anxious by slumping revenues and dead set against deficit-financing. Even with record-low interest rates, Japan's huge current account surplus, on track to exceed \$130 billion this year, will keep upward pressure on the yen, said Richard Koo, senior economist at the Nomura Research Institute. Still, as long as Mr. Hosokawa's administration continues efforts to battle bureaucrats opposed to income tax cuts and market opening, Washington is likely to provide support by intervening to keep the dollar above 100 yen.

## Thinking Ahead Narrow-Mindedness and NAFTA

By Reginald Dale  
International Herald Tribune

WASHINGTON — Suppose, heaven forbid, there were a Mexican multimillionaire called Rosso Perot, who wanted to lead a populist crusade against the North American Free Trade Agreement. He would probably find it even easier than his counterpart in the United States. Plumbing the depths of more than a century of ingrained anti-Americanism, Mr. Perot might find how such a relatively poor country as Mexico could hope to survive in open competition with the world's largest economy and only superpower.

wrong end of the telescope. As a result, much of the American debate so far has been chauvinistic, ignorant, politically charged and mean-spirited toward the rest of the world. Few Americans, for instance, appreciate — or care — that Mexico has far more at stake than the United States. If he wanted to descend to that level, a Mexican Perot could (truthfully) raise the threat to Mexico's 2 million corn farmers, who are likely to be displaced by cheaper American corn and sent flocking to city slums.

He could stir up the thousands of workers already shed in the huge drive to privatize and open up the Mexican economy over the last few years. He could play on the fears of Mexican small businesses, whose cozy cartelized relations with larger corporate clients may be disrupted by NAFTA. He could point out that several sectors of Mexican industry, such as machinery, electronics and perhaps even clothing, are directly threatened.

It is demeaning to hear American treaty opponents whine about the threat. Americans, for Mexicans it underscores much of the rationale for NAFTA. But that is not how Mexico sees it. For Mexico, NAFTA is the culmination of the wrenching transformation to free enterprise that it bravely began in the mid-1980s, a forced march that in less than 10 years has brought Mexico from a Third World disaster area to the portals of the OECD. Mexico has already made the choice that President Bill Clinton urged on the United States last week, and from which Mr. Perot and his protectionists are striking. It wants to become a full player in today's global economy. In doing so, Mexico is blazing a trail for a Western Hemisphere Free Trade Area that would lift the prosperity of the whole of Latin America (to the obvious advantage of the United States). It is setting an example for the East European countries as they struggle to align their economies with Western Europe. It is showing itself much more enlightened than the narrow-minded gringos who seek to bar its way.

## U.S. Phone Calls Take to the Airwaves

By Edmund L. Andrews  
New York Times Service

WASHINGTON — America is about to start coming unwired. A decade after cellular telephones first captured the hearts of the hurried and the well-to-do by letting them stay plugged in without being pinned down, the federal government is about to clear the airwaves for an expansion of wireless offerings more sophisticated than anything available today. On Thursday, after four years of work, the Federal Communications Commission will adopt rules that will create three to six new wireless networks in every American city and town. Bringing stiff new competition and probably a steep plunge in prices, these services are expected to reach millions of new customers.

But more than mere phones are on the horizon. Using the digital electronics of computers, the new "personal communications services" will be capable of sending data, images and perhaps even video to an expanding family of nomadic computing devices — palm-size computers, electronic notepads and what some people call mutant devices that combine the features of a telephone, computer and pager. The technology for advanced wireless services has been tested at length, and computer companies are already rushing to market with handheld devices that communicate over cellular frequencies.

These are huge, no one knows just what consumers will be willing to pay for: the technology is still new, and it will cost billions to build the new networks nationwide. But virtually every big communications company is angling for position and lining up capital. The list ranges from media conglomerates such as Time Warner Inc. and newspaper publishers like Washington Post Co. to long-distance carriers like American Telephone & Telegraph Co., the regional phone companies and the current cellular industry.

U.K. Rejects Controls On Capital  
BRUSSELS — Britain remains firmly opposed to the reintroduction of controls on money movements, a British Treasury official said Monday. "If you look at the basis of the [Maastricht] treaty, freedom of capital movements is one of the essential freedoms in the treaty," Sir Nigel Wicks, second permanent secretary to the Treasury and in line to become president of the EC monetary committee, told a European Parliament committee.

## White House Disputes Fed on Rates

By Steven Greenhouse  
New York Times Service

WASHINGTON — Leading economists in President Bill Clinton's administration have rejected a suggestion by officials of the Federal Reserve Board that a cut in short-term interest rates should not be considered because it might cause a speculative bubble in stock and bond prices. The economists said current near-record prices in the stock and bond markets in no way constituted a bubble. They said these were a valid response to the lower interest rates that have resulted from lower inflation and Mr. Clinton's efforts to reduce the federal budget deficit.

White House Disputes Fed on Rates  
Traders said the central bankers' remarks helped push down the bond market late last week because they were read as hints that the Fed's next move might be to raise, not lower, interest rates.

Other responses from administration officials, J. Bradford DeLong, a deputy assistant Treasury secretary, said, "I was surprised people would talk about a speculative boom in the bond market. They were saying things I would not expect people to say."

## GERMANY

As our domestic clients are usually entrepreneurs, proprietors or shareholders of privately-owned German companies, we are well acquainted with their mentality. We are sensitive to this when making approaches and during negotiation and valuation.

If local competence is needed to realize your acquisition goals in Germany successfully, please contact us for further information.

## CURRENCY & INTEREST RATES

Cross Rates		Sept. 20									
		D.M.	S.F.	A\$	N.Y.	Yen	Ch	Pesote			
Amsterdam	1.415	2.735	1.325	0.819	0.116	0.525	1.522	1.376	1.461		
Brussels	3.525	3.925	1.915	1.263	0.164	0.735	2.117	1.925	2.017		
Frankfurt	1.622	3.419	1.635	1.095	0.146	0.635	1.825	1.654	1.744		
London	1.510	3.276	1.575	1.031	0.137	0.605	1.745	1.578	1.667		
Mexico	19.261	39.819	19.815	13.215	1.733	2.34	6.93	19.94	20.45		
Nairobi	152.18	319.14	157.25	104.56	12.9	17.3	50.4	152.08	156.8		
New York	1.00	1.00	0.75	0.50	0.25	0.125	0.0625	0.03125	0.015625		
Paris	5.645	6.24	3.045	2.03	0.27	1.17	3.437	3.13	3.221		
Singapore	181.18	374.42	186.56	126.68	15.9	21.5	59.6	181.28	186.05		
Tokyo	160.5	324.9	162.5	108.2	14.2	19.1	50.4	158.5	163.2		
Yokohama	123.0	246.0	124.5	81.8	10.8	14.2	37.0	123.1	127.6		
Zurich	1.64	1.732	0.87	0.581	0.074	0.302	0.86	0.785	0.82		
1 ECU	1.106	1.074	1.074	0.676	0.082	0.328	0.97	0.894	0.927		
1 SDR	1.251	1.279	1.279	0.812	0.102	0.413	1.204	1.097	1.131		

Eurocurrency Deposits		Sept. 20									
		Dollar	D-Mark	Sterling	France	Yes	ECU				
1 month	3 1/2%	4 1/4%	4 1/4%	5 1/4%	7 1/4%	2 1/2%	7 1/4%	7 1/4%	7 1/4%		
3 months	3 1/2%	4 1/4%	4 1/4%	5 1/4%	7 1/4%	2 1/2%	7 1/4%	7 1/4%	7 1/4%		
6 months	3 1/2%	4 1/4%	4 1/4%	5 1/4%	7 1/4%	2 1/2%	7 1/4%	7 1/4%	7 1/4%		
1 year	3 1/2%	4 1/4%	4 1/4%	5 1/4%	7 1/4%	2 1/2%	7 1/4%	7 1/4%	7 1/4%		

Key Money Rates		United States		Eurozone		Sterling	
		Close	Prev.	Close	Prev.	Close	Prev.
Discount rate		3.00	3.00	3.00	3.00	3.00	3.00
Prime rate		5.00	5.00	5.00	5.00	5.00	5.00
Federal funds		3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month CD		2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%
6-month CD		2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%
90-day CD		2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%
12-month CD		2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%
1-year Treasury bill		2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%	2 1/4%
2-year Treasury bill		3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
5-year Treasury bill		4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
10-year Treasury bill		5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
30-year Treasury bill		6 1/4%	6 1/4%	6 1/4%	6 1/4%	6 1/4%	6 1/4%
1-year Treasury note		4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%
2-year Treasury note		5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
3-year Treasury note		6 1/4%	6 1/4%	6 1/4%	6 1/4%	6 1/4%	6 1/4%
5-year Treasury note		7 1/4%	7 1/4%	7 1/4%	7 1/4%	7 1/4%	7 1/4%
30-year Treasury note		8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%

INTERNATIONAL  
**Herald Tribune**  
LIVING IN THE U.S.?  
NOW PRINTED IN NEW YORK  
FOR SAME DAY DELIVERY IN KEY CITIES  
TO SUBSCRIBE, CALL  
**1-800-882-2884**  
(IN NEW YORK, CALL 212-752-3890)

**FUCHS CONSULT**  
Kreuzberger Ring 60 · 6200 Wiesbaden  
Telephone (x 49 611) 70 00 40 · Fax (x 49 611) 71 04 04



U.S./AT THE CLOSE

MARKET DIARY

Blue-Chip Stocks Beating a Retreat

NEW YORK — Blue-chip U.S. stocks, buffeted by concern about inflation and corporate earnings, plunged Monday, extending a retreat from all-time highs a month ago.

Mark Draws Strength As Dollar Rally Falter

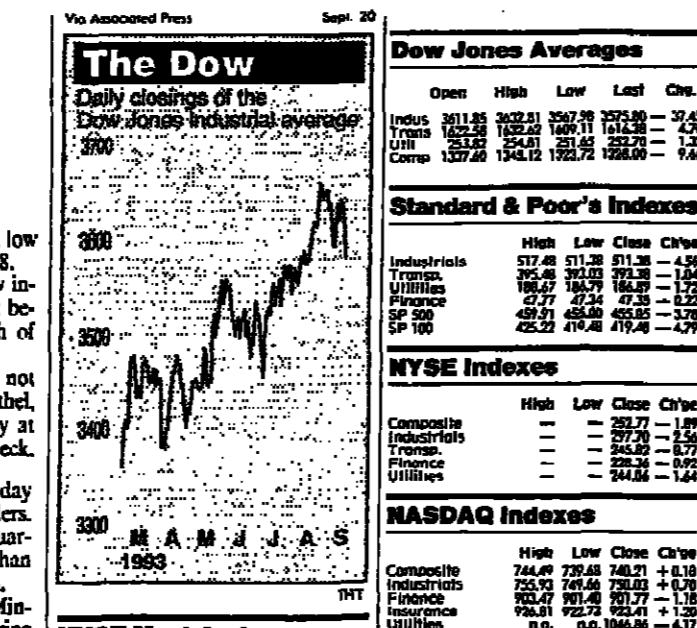
NEW YORK — The dollar slipped against European currencies Monday after failing to hold above 1.62 Deutsche marks.

Foreign Exchange

The dollar fell to 1.6100 DM from 1.6140, but it rose to 104.630 yen from 104.475.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Sydney, Tokyo, Zurich, and other international indices.



Daily closings of the Dow Jones Industrial Average 1983-1993

Table of Dow Jones Averages including Industrial, Chemical, and Finance indices.

Table of Standard & Poor's Indices including Composite, Industrial, and Finance.

Table of NYSE Indices including Composite, Industrial, and Finance.

Table of NASDAQ Indices including Composite, Industrial, and Finance.

Table of NYSE Most Active stocks.

Table of NYSE Diary with columns for Advancing, Declining, and Unchanged.

Table of Amex Diary with columns for Advancing, Declining, and Unchanged.

Table of NASDAQ Diary with columns for Advancing, Declining, and Unchanged.

Table of NYSE Most Active stocks.

Table of NYSE Diary.

Table of Amex Diary.

Table of NASDAQ Diary.

BNP Gives Payout Assurance

PARIS — Banque Nationale de Paris said Monday that an expected fall in the 1993 dividend per share will not exceed the decline in net profit despite an expected rise in the number of shares after a capital increase.

U.S. FUTURES

Table of U.S. futures markets including Wheat, Corn, Soybeans, and other commodities.

To Our Readers

Sao Paulo stock market prices were not available Monday due to problems at the source.

Singapore

Table of Singapore stock market data.

Zurich

Table of Zurich stock market data.

Stockholm

Table of Stockholm stock market data.

Montreal

Table of Montreal stock market data.

EUROPEAN FUTURES

Table of European futures markets including Food, Metals, and Financial.

Stock Indexes

Table of stock indexes including FTSE 100, Nikkei, and others.

Spot Commodities

Table of spot commodities including Copper, Nickel, and Zinc.

Dividends

Table of dividends for various companies.

Ruhrkohle Plans Closure of Mine

ESSEN, Germany — Germany's largest coal-mining company, Ruhrkohle AG, said Monday that it would shut one pit in January and partly close two others, with the loss of 6,000 jobs.

U.S. FUTURES

Table of U.S. futures markets including Grains, Metals, and Livestock.

Metals

Table of metals futures including Aluminum, Copper, and Nickel.

Livestock

Table of livestock futures including Cattle and Hogs.

Financial

Table of financial futures including Treasury Bonds and T-Bills.

Food

Table of food futures including Coffee and Sugar.

Forecasters See More Slow Growth

WASHINGTON (Reuters) — The U.S. economy will continue to plod along at least through the end of 1994, with low interest rates doing little to stimulate growth, a group of private economists said Monday.

Valley Fashions to Buy Rest of Unit

WEST POINT, Georgia (Bloomberg) — Valley Fashions Corp. said it would buy the 5 percent of West Point-Pepperell Inc. that it does not own, to enable the two companies to reduce their combined \$1.1 billion debt.

Nike's First-Period Profit Fell 7%

BEAVERTON, Oregon (AP) — Nike Inc. said Monday that profit in its first quarter fell 7 percent from a year earlier, largely because of increased taxes and unfavorable exchange-rate moves.

Motorola Buying Radio Tag Maker

SCHAUMBURG, Illinois (AP) — Motorola Inc. said Monday it has acquired Indala Corp., a San Jose, California-based manufacturer of radio frequency cards and tags used for vehicle identification and industrial automation.

Wang Reorganization Confirmed

BOSTON (AP) — Wang Laboratories Inc. emerged from Chapter 11 on Monday, after just over a year under bankruptcy-law protection, as U.S. Bankruptcy Court Judge William C. Hillman confirmed Wang's reorganization plan.

Williams Cos. Names Bailey CEO

TULSA, Oklahoma (Reuters) — Williams Cos. said directors elected Keith E. Bailey, the energy company's president, to succeed Joseph H. Williams as chief executive officer.

Weekend Box Office

Table of weekend box office receipts for various movies.

ASDAQ

Table of NASDAQ stock market data including various company listings and prices.



# Not Yet Bloomies, but GUM's Trying With Foreign Help, Moscow Emporium Is Flourishing

By Ann Insee  
New York Times Service

MOSCOW—"Is it fresh?" a shopper asked, examining the tiny black eggs in a \$3.30 jar of caviar. "How should I know?" snapped the salesclerk, snatching the jar out of the customer's hand and returning it to a shelf.

A few steps away—though still under the vaulting glass roof of the famed GUM department store on Red Square—shoppers find a far different reception. After rummaging through brilliantly colored fashions at the Benetton shop, they saunter into fitting rooms—a luxury after years of shortages, when GUM shop windows listed the sizes in stock that day.

Once a showcase for the shortcomings of Soviet central planning, GUM (pronounced "goom") is being transformed by a quite un-Communist phenomenon: stockholders demanding profits.

GUM has been a Moscow institution for decades, housed in an architectural monument and famed for rude clerks, endless lines and low prices. Today, it is edging away from that reputation, as it adds more shops like Benetton, which boasts \$2.5 million in annual sales. So far, 30 Western brand names—including Arrow shirts, Estee Lauder cosmetics and Samsonite luggage—have transformed GUM by GUM clothes with sparkling window displays and high-quality merchandise.

After 40 years without major maintenance, "to put it kindly, the roof leaks"—onto customers' heads, said GUM's chairman, Yuri Solomatn. A Moscow City Council member, he became chairman because the city still owns a third of GUM stock.

But GUM is now a private corporation with a 49-year lease on the building. GUM stock

went on the market in November at 400 rubles and sells today through a private brokerage for about 3,800 rubles (\$3.80). At that price the company is worth about \$24 million.

Even the full name has been privatized, from Gosudarstvennyy Univermag (State Department Store) to Glavni Univermag Moskvi (Main Department Store of Moscow).

GUM has abandoned Communist-era xenophobia and filled its shelves with 60 per-

cent foreign goods. "We have had some complaints about the foreign firms," admitted Vyacheslav Vechkanov, the vice chairman, an ex-Finance Ministry bureaucrat. "But we can't do anything about it, because the Russian factories are in terrible shape."

Largely because of foreign products, GUM sales and profit are growing in real terms despite Depression-level drops in income.

The chain, which also has 14 smaller, specialty stores elsewhere in Moscow, earned more than 6 billion rubles in the first six months of this year. Sales reached 52 billion rubles, Mr. Solomatn said.

GUM opened 100 years ago as a stockholder-owned department store with more than 1,000 shops on three tiers.

In the heyday of central planning, government bureaucrats ruled GUM. They set salaries, and a miserly maintenance budget. They

decided what products would be sold, and set prices without regard to costs.

When the first stores stocking foreign goods appeared before communism's collapse, they were open only to a privileged few. Some accepted only shoppers with invitations, others only those with hard currency.

Today, with the ruble virtually convertible, every shop in GUM accepts Russian banknotes. Even the traditional stores are full, by Russian standards. GUM strikes its own deals with factories at home and abroad, with whatever capital it can muster. It even experiments with prices to determine demand.

Mark-ups are just 10 to 25 percent, because consumers cannot afford much, Mr. Solomatn said.

At the horsewears alone, 20 shoppers crowd around the counter and strain to see products inconveniently displayed on shelves five feet away. Russian plastic caps cost 4 cents; German pots and pans are priced at \$303. In the classic Russian system, shoppers wait once to be shown an item, a second time to pay and a third time to take possession.

In contrast, customers at the clothing shop run by Karstadt AG of Germany may have to wait to enter, but once inside they can examine, at leisure, a variety of mid-price Western clothing, and pay for all purchases at the exit.

The shop is so successful that Karstadt has expanded at GUM three times. It also invested \$100,000 in GUM stock.

The foreign salons are run as GUM departments, with Karstadt and others providing physical renovation, equipment, training and products. Because outsiders carry the cost of inventory, GUM is able to fill its stores despite a severe shortage of operating funds.

**Mark-ups are just 10 to 25 percent, because consumers can't afford much.**

# EC Veto Likely On Aer Lingus Cash Infusion

Bloomberg Business News

BRUSSELS—The EC Commission is expected to rule this week that Aer Lingus, the ailing Irish flag carrier, may not accept a cash infusion from the Irish government, an EC official said Monday.

Without that money, the survival of the carrier is threatened.

Parliament approved a rescue plan in July that would have given the debt-burdened state carrier about 175 million pims (\$250 million). But the cash infusion by Aer Lingus's sole shareholder, the government of Ireland, requires the approval of the European Community.

The EC official, who spoke on condition of anonymity, said the Irish government's proposed rescue plan "doesn't go far enough" with measures to restore the airline to merit EC approval.

EC rules allow every state-owned carrier one final cash infusion, but the money must be tied to a restructuring that the Community deems sufficient to bring the airline back to health.

The proposed plan, called the "Cahill Plan" after Bernie Cahill, the executive chairman of Aer Lingus, would have entailed job reductions of 1,280, including early retirements, and the grounding of two aircraft, among other measures.

An Aer Lingus spokesman said the airline had heard nothing so far about the status of Ireland's request to the Community to give a cash injection and so had no comment.

But he said, "This is a big restructuring by any stretch of the imagination."

The plan has yet to win an agreement between the carrier and its unions. Airline officials and unions have been in talks since July about layoffs and changes in work rules.

Only 200 workers have agreed to accept early retirement packages and the carrier needs to eliminate 1,280 positions for the plan to work. The deadline for deciding on job reductions is next week.

The deadline for final agreement between the airline and unions on a new structure for the carrier is Oct. 31, but if the Community turns thumbs down, as the official says will happen, that could send the government back to the drawing board to put together a more draconian restructuring.

Investor's Europe				
Exchange	Index	Monday Close	Prev. Close	% Change
Frankfurt DAX		1,254.40	1,244.00	+1.13
London FTSE 100 Index		6,816.20	6,647.57	+0.44
Paris CAC 40		1,912.84	1,881.69	+1.64
Amsterdam CBS Trend		734.57	724.85	+1.34
Brussels Stock Index		1,268.91	1,264.23	-0.39
Frankfurt FAZ		2,328.30	2,331.00	-0.12
Frankfurt HEX		3,004.50	3,005.50	-0.03
London Financial Times 30		286.17	285.67	+0.10
London FTSE 100		1,300.00	1,306.00	-0.46
Madrid General Index		2,107.38	2,089.50	+0.87
Milan MIB		1,515.55	1,511.83	+0.24
Paris CAC 40		425.56	422.69	+0.44
Stockholm Affarsvaerden		632.00	621.00	+1.34
Vienna Stock Index				
Zurich SBS				

Sources: Reuters, AFP  
International Herald Tribune

### Very briefly:

- Deutsche Babcock AG has agreed to buy a 40 percent stake in Thomassen International Holding BV, a Dutch maker of gas turbines, and has an option to take a majority stake by the end of 1994.
- MATIF, the French futures exchange, renegotiated the fees members will soon have to pay the Globex overnight exchange slashing them by up to 80 percent, its chairman, Gerard Pfauwadel, said.
- Murray Johnstone Holdings, a Glasgow-based investment-management company, is to be acquired by United Asset Management Corp. of Boston in a stock swap valued about \$75 million.
- The Czech government is to issue a decree giving companies at least 30 percent foreign-held the right to import parts and raw materials for their own production duty-free, the Prague daily Lidove Noviny said.
- Georg Fischer AG, a Swiss car part supplier and manufacturing technology concern, expects a 1993 net loss of between 30 million and 50 million Swiss francs (\$21.4 million to \$35.7 million).
- Schneider SA said 100 million French francs (\$17.8 million) in one-time gains will allow it to report net profit after minority interests of about 200 million francs for the first half of 1993, up 3.5 percent from a year earlier.
- Vauxhall Motors Ltd., the British unit of General Motors Corp., will cut output at its Luton and Ellesmere plants. AFP, Reuters, Bloomberg, AP.

### Poll Backs Opening Telecoms

Compiled by Our Staff From Dispatches

BRUSSELS—European executives want telecommunications markets opened up to more competition, and 70 percent would consider changing companies if they could, according to a survey released Monday.

The poll, commissioned by British Telecommunications PLC, found support for opening up telecommunications ranging from 75 percent of those polled in France to 94 percent in the Netherlands.

The 500 executives questioned by telephone in 10 European countries said they expected deregulation to result in lower costs, greater efficiency and better service, according to the Harris Research Center in Britain.

Jonathan Rickford, government relations director for British Telecommunications, said the results showed that the European Community should speed up its plans to open up telephone voice traffic to competition. (AP, Reuters)

# IMF Delays \$1.5 Billion Loan to Russia

By Steven Greenhouse  
New York Times Service

WASHINGTON—The International Monetary Fund has decided to delay a \$1.5 billion loan to Russia because of Moscow's failure to cut its inflation rate and carry out other promised reforms.

But U.S. and fund officials said they were encouraged that the Russian government had shown what they see as a stepped-up commitment to reform over the last few days, for instance in the appointment of former Prime Minister Yegor T. Gaidar as a first deputy prime minister.

In recent weeks, the International Monetary Fund and the United States have told Russia that they were concerned that inflation had ballooned to 29 percent in August and that Moscow was not doing enough to reduce its budget deficit.

But after visiting Moscow last

week, Lawrence H. Summers, undersecretary of the Treasury for international affairs, said he was more encouraged than he had been in midsummer.

"The recent inflation rate has been too high, but I am encouraged by Russia's official plans to get financial conditions back under control," he said Sunday. "It is crucial that these plans be implemented as a basis for economic growth in Russia and for the full effectiveness of Western support."

The United States and other leading industrial nations have approved a \$44 billion aid package for Russia, including a stretching out of \$16 billion in debt repayments. Much of that aid is not expected to be affected by Russia's failure to carry out certain reforms.

But the more than \$10 billion that would come from the IMF and World Bank or be funneled through them could be delayed for months if

Russia fails to bring inflation and the budget deficit under control.

A fund official said that his organization was unhappy with Russia's backtracking on reforms during the summer.

"Important measures in the budget field have not been taken, and credit discipline has been relaxed," he said. "This has put their reform program off track."

The fund official, who insisted on anonymity, said the loan was being delayed indefinitely, but he hinted that Russia might receive it by the end of the year if Moscow displayed a strong and renewed commitment to reform.

A U.S. official said, "Our message is, if Russia's policies continue to get out of control and inflation continues to go up, it will be difficult for the multilateral aid package to continue."

The government of President Boris N. Yeltsin has been caught up in a battle between those who want to push ahead with market-oriented credits, including sharp cuts in subsidies to floundering enterprises, and those who favor more state regulation and planning and doing out more credits to keep enterprises afloat. American and IMF officials are optimistic that the appointment of Mr. Gaidar will help tilt the balance in favor of the first group.

A U.S. official said, "We're very encouraged by Gaidar's return and by indications from the Russian government that they now see the need for a rapid turn toward stabilization and reform."

Last spring, the IMF established a loan program to help former Soviet-bloc countries make the transition toward a market economy. The fund committed \$3 billion to Russia. It received \$1.5 billion in June and was scheduled to receive the second half this month.

### Balladur Wants Layoff Reviews

PARIS—Prime Minister Edouard Balladur ordered state companies on Monday to review layoff plans to halt a surge in French unemployment.

Nicolas Sarkozy, the government spokesman, said state companies must set the example in using layoffs only as a last resort. Joblessness is running at a record 11.7 percent, and the latest figures show that 3.2 million people in France are unemployed.

Mr. Balladur held an emergency meeting with ministers after private companies and state concerns, including Air France and the computer-maker Groupe Bull, announced plans last week to lay off more than 13,000 workers.

### EC Officials See Progress Toward Accord on Steel

BRUSSELS—European Community officials expressed optimism Monday that Spain, Italy and Germany would agree to do more to restructure their steel sectors and clear the way for an overhaul of the industry.

The EC Commission has said the three nations' previous restructuring plans called for too much state aid and did not make enough cuts in production capacity.

But officials said on the eve of a meeting of industry ministers Tuesday that a compromise seemed to be near. They said Spain's case was virtually settled, talks with Italy were progressing rapidly, and the dispute with Germany was likely to be resolved this month.

## NASDAQ

**Monday's Prices**  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	12 Month High	12 Month Low	Div	Yld	PE	12 Month High	12 Month Low	Div	Yld	PE	12 Month High	12 Month Low	Div	Yld	PE
100	80	0.50	4.0	15	120	100	0.75	3.0	12	150	130	1.00	2.5	10	180	160	1.50	2.0	9
200	180	1.00	5.0	10	250	220	1.50	4.0	8	300	280	2.00	3.0	7	350	330	2.50	2.5	6
400	380	2.00	6.0	7	500	480	3.00	5.0	5	600	580	4.00	6.0	4	700	680	5.00	7.0	3
800	780	4.00	8.0	5	1000	980	6.00	10.0	3	1200	1180	8.00	12.0	2	1400	1380	10.00	14.0	1.5







AMEX

Monday's Closing Tables include the overnight prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High Low Stock Div Yld PE High Low Last Chg. Includes various stock listings such as 12M High Low Stock, 12M High Low Stock, etc.

Table with columns: 12 Month High Low Stock Div Yld PE High Low Last Chg. Includes various stock listings such as 12M High Low Stock, 12M High Low Stock, etc.

Table with columns: 12 Month High Low Stock Div Yld PE High Low Last Chg. Includes various stock listings such as 12M High Low Stock, 12M High Low Stock, etc.

Table with columns: 12 Month High Low Stock Div Yld PE High Low Last Chg. Includes various stock listings such as 12M High Low Stock, 12M High Low Stock, etc.

Advertisement for 'BEYOND 2000' featuring Lewis Platt, Arno Penzias, Akira Fujimasa, etc. Text: '20/20 Foresight or 20/20 Hindsight? Your choice.' Includes a coupon for a free promotional video.

Advertisement for 'EC - US trade disputes' and 'The fragile Mideast peace'. Text: 'Uncertain agreement on Bosnia', 'The Somalian imbroglio', 'The troubled Japanese economy'. Includes a coupon for a 44% discount on the cover price.



SPORTS BASEBALL

Braves Triumph Behind Glavine

Tom Glavine likes the company he's keeping these days, with guys like Ferguson Jenkins, Dave Stewart and Warren Spahn.

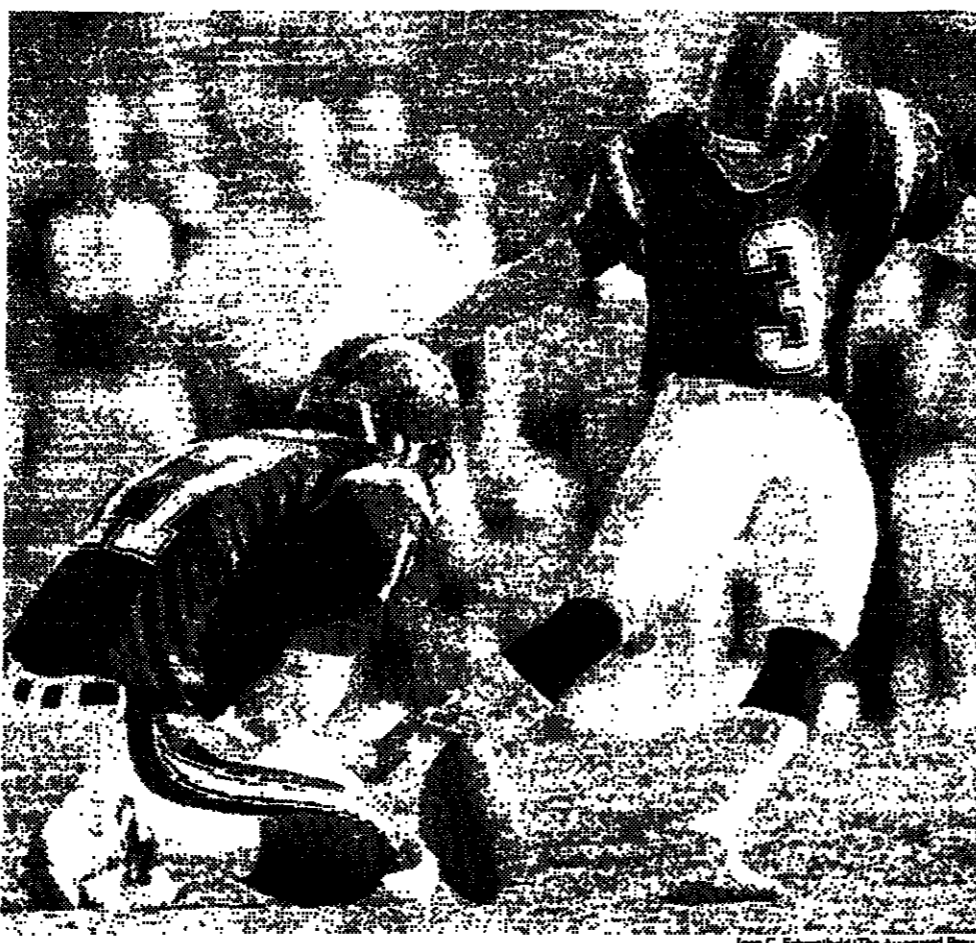
Los Angeles to win the season series. In earlier games reported in some Monday editions: Giants 7, Reds 3; Matt Williams hit two more homers, giving him 10 in his last 15 games, and drove in five runs as San Francisco swept the series in Cincinnati.

NL ROUNDUP

game road trip to Montreal and Philadelphia. The Giants were to open a four-game series in Houston on Monday night and have 14 games remaining.

NL ROUNDUP

Cardinals 7, Pirates 6; Mark Whiten's two-out, two-run double in the ninth gave St. Louis victory over visiting Pittsburgh.



The Chargers' John Carney kicking the field goal that beat the Oilers, and ran his record to 29 straight.

Smith Back for Cowboys But Isn't Really Needed

Add one Emmitt Smith to the Dallas lineup. Add one victory to the Cowboys' record.

here and that everything wasn't on my shoulders. I wanted to stay patient," said Smith, who rushed for 45 yards on eight carries.

NFL ROUNDUP

get the team into the victory column. "The guys were excited to have him back out there in the huddle," he said. "There's no doubt he gives us a lift, and then once he started running the ball, he did real well. It feels good to finally get a victory."

zone for an intentional safety with 1:41 left to make it 16-12. Metcalf returned the ensuing free kick 37 yards to the Los Angeles 45. The Browns needed eight plays to get the winning touchdown.

White Sox Clobber Eckersley in 9th, Open 4 1/2-Game Lead

Robin Ventura, who had never gotten a hit off Dennis Eckersley, picked a good time to get a big one.

It just seems like I've always hit them at someone. Not this time. After Frank Thomas' leadoff single, Ventura first was given a bunt sign, then

in the ninth before being replaced by Roger Smithberg. "It's kind of been a bad year and humbling experience for me, including today," Eckersley said.

Mike Blowers' triple and Bret Boone's sacrifice fly. Orioles 8, Brewers 4; Harold Baines drove in four runs in Milwaukee as Baltimore ended a 25-inning scoring drought to remain five games behind the leading Toronto Blue Jays in the AL East.

SCOREBOARD

Major League Standings

Table showing Major League Standings for the American League and National League.

Sunday's Line Scores

Table showing Sunday's Line Scores for various MLB games.

AMERICAN LEAGUE

Table showing American League Standings.

NATIONAL LEAGUE

Table showing National League Standings.

FOOTBALL

NFL Standings

Table showing NFL Standings.

West

Table showing NFL Standings for the West division.

East

Table showing NFL Standings for the East division.

Canadian League

Table showing Canadian League Standings.

NATIONAL LEAGUE

Table showing National League Standings.

AMERICAN LEAGUE

Table showing American League Standings.

NATIONAL LEAGUE

Table showing National League Standings.

AMERICAN LEAGUE

Table showing American League Standings.

NATIONAL LEAGUE

Table showing National League Standings.

NATIONAL CONFERENCE

Table showing NFL Standings for the National Conference.

AFC EAST

Table showing NFL Standings for the AFC East.

AFC WEST

Table showing NFL Standings for the AFC West.

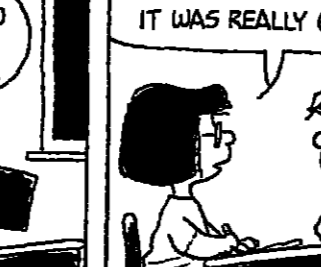
DENNIS THE MENACE



PEANUTS



WIZARD of ID



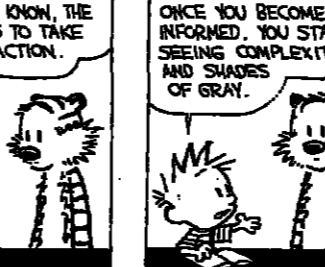
BLONDIE



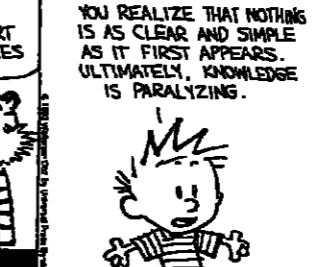
REX MORGAN



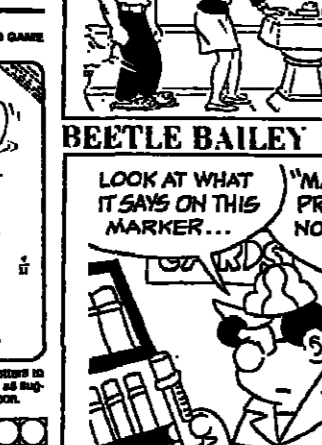
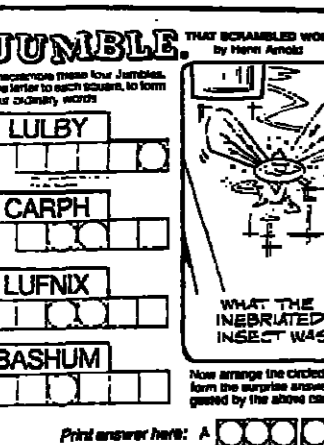
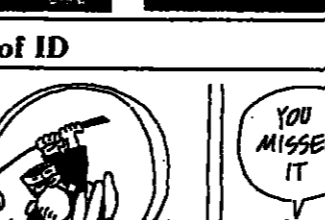
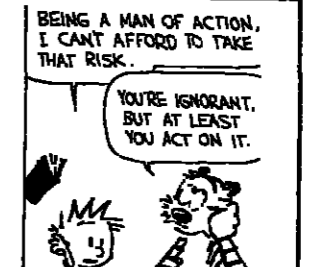
JUMBLE



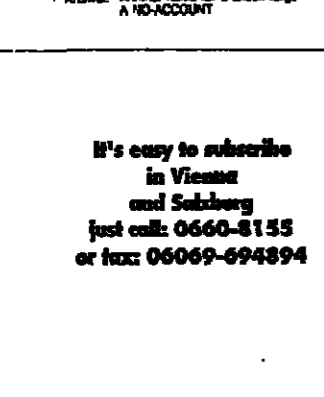
BEETLE BAILEY



DOONESBURY



REX MORGAN



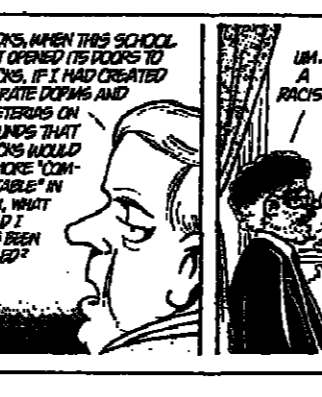
GARFIELD



REX MORGAN



GARFIELD



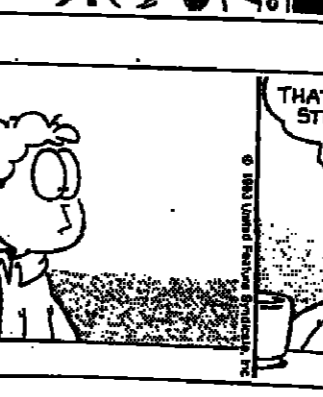
REX MORGAN



GARFIELD



REX MORGAN



GARFIELD



PORK Compet

WINES

LAUNDRY

AGS

GENIVA

سكرا من الالعين

010